Daily Report

Latin America

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FBIS-LAT-89-044 *8 March 1989*

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Andean Parliament Condemns IMF Policies

PA0603134789 Hamburg DPA in Spanish 0104 GMT 6 Mar 89

[Text] Quito, 6 Mar (DPA)—Parliamentarians from Bolivia, Colombia, Ecuador, Peru, and Venezuela called for a "Latin American rebellion" in response to the economic adjustment policies of the IMF and creditor banks. This appeal was made in the "Quito Agreement," whose text was revealed today.

At the conclusion of the Andean Parliament's seventh session which ended yesterday in Quito, the legislators said "it is essential to take a different course. The region's countries must reach the highest level of agreement in negotiations with the creditor banks, whose insatiable appetite makes them think only about their interests."

The legislators added: "Latin America must rebel against the present situation and, using regional integration as an impetus for action, agree on measures that would lead to an independent, harmonious, and self-sufficient Latin American economy."

According to the Andean Parliament's final declaration, adjustment policies "have failed to achieve a dynamic expansion of the economy," as reflected in the region's "terrible poverty statistics."

According to figures quoted by Ecuadorean Wilfrido Lucero, the president of the Andean Parliament, the number of persons living in poverty in Latin America and the Caribbean was 110 million in 1970, while today this figure has grown to 200 million.

In the "Quito Agreement," signed after 5 days of deliberations, the Andean parliamentarians stated categorically that, between 1980 and 1986, per capita income in Latin America dropped 14 percent. This drop in income was attributed to the crisis created by the foreign debt and the adjustment measures taken in response to the IMF's "illegitimate pressures."

According to the declaration, during 1980-86, the region's unemployed increased by 5.1 million because the "payment of the foreign debt hindered spending on the social debt" that every Latin American country has with its respective population. The Andean legislators added that Latin America's external debt amounts to $410 billion, equivalent to 58 percent of the region's GNP, and that "the payment of the foreign debt is impossible."

During the Andean Parliament meeting, which took place at a convention center on the outskirts of Quito, 91 resolutions were passed. These resolutions were drafted by seven working commissions appointed by the 200 parliamentarians, among whom are the presidents of five national congresses.

The central theme of the meeting was the eradication of poverty, although the stability of democracy in Latin America, the revitalization of the Andean Pact, the regional human rights situation, and the war on drug trafficking were also discussed.

Spain, Italy To Join Economic Integration Bank

PA0703013489 Tegucigalpa EL HERALDO in Spanish 2 Mar 89 p 39

[Report by Mario Calix]

[Summary] Rolando Ramirez Paniagua, president of the Central American Bank of Economic Integration [BCIE], has issued a report to the bank's board of directors that, among other things, says he is "satisfied with the support obtained from the recent meeting of the European Community, the Contadora Group, and the Central American foreign ministers—'San Jose V'—for BCIE's role in the future development of Central America."

He also announced that as of May 1989, Spain and Italy will join the BCIE and that other European and Latin American countries will follow suit.

"Next May, the BCIE governors will meet to adopt resolutions and amend the bank's charter to begin the process of incorporating Italy and Spain," Ramirez added.

Cuba

Castro Presides Over Interior Ministry Meeting

FL0403152689 Havana Tele-Rebelde Network in Spanish 1400 GMT 4 Mar 89

[Text] Commander in Chief Fidel Castro, first secretary of the PCC [Communist Party of Cuba] Central Committee and president of the Councils of State and Ministers, presided over a meeting yesterday to assess the activities carried out by the Interior Ministry [MININT] during 1988. The tasks being carried out by the ministry this year were also discussed during the meeting.

In addition to Fidel, Army General Raul Castro, second secretary of the party and minister of the FAR [Revolutionary Armed Forces], other members of the Politburo and Secretariat, first secretaries of the PCC in the provinces, vice presidents of the government, ministers, chiefs of state organizations, Union of Young Communists, and mass organization leaders, as well as chiefs and officers of the FAR and the MININT were also present.

The debates and remarks were moderated by Division General Jose Abrantes Fernandez, minister of the interior. In the report presented by [Colonel Alberto Garcia] vice minister of the MININT and chief of the National Revolutionary Police [PNR], it was noted that the irritating expressions of social indiscipline and lack of respect toward the law are being resolutely neutralized with the support of the entire society and its organizations.

Fidel participated in the analysis of the PNR's work to discuss in depth the factors that influence some types of crimes and considered it was encouraging that, in general, not very many are committed in Cuba compared to capitalist countries, including those that are highly industrialized. Fidel showed interest when the work of the Fire and Protection General Directorate was reviewed. The necessary resources to fight fires and the support of the state in this task were mentioned.

Later on, the operation of the penitentiary system and the progress of the program developed as a result of the changes in the Penal Code were analyzed.

After the reports were presented, Div Gen Jose Abrantes made brief remarks. He noted that last year was undoubtedly a tense period in which, once more, our ability to plan, react, and estimate to what extent our actions and decisions can have an effect in the values and mood of the population was tested.

Finally, the commander in chief made the closing remarks at the MININT working meeting.

Further Reportage on UN Human Rights Meeting

Draft Resolutions Circulated

FL0703170789 Havana Tele-Rebelde Network in Spanish 1453 GMT 7 Mar 89

[Text] Two draft resolutions on the UN Human Rights Commission [UNHRC] report prepared by the mission that visited Cuba on September 1988 started being officially circulated today in Geneva. This is just 1 day before the date assigned for the vote on it.

The head of the UNHRC Secretariat, (John Pace), has said to PRENSA LATINA that the U.S. draft resolution on the subject is definitely cosponsored by Great Britain, the Netherlands, Canada, and Morocco. Meanwhile, the Latin American draft resolution, completely opposed to the U.S. draft resolution, has the sponsorship of Colombia, Mexico, Panama, and Peru.

In diplomatic circles, the announcement that Great Britain and the Netherlands finally decided to cosponsor the U.S. draft resolution was received with surprise. The announcement was made known just a few hours after having withdrawn their name from the resolution, due to a U.S. delegation maneuver which violated tacit agreements among regional groups that were searching for a consensus.

Roa on Observation in U.S.

FL0703193389 Havana Tele-Rebelde Network in Spanish 1800 GMT 7 Mar 89

[Telephone report by special correspondent Pedro Martinez Pirez from Geneva]

[Text] Six people spoke this morning on topics 5 and 12. Topic No 5 deals with the violation of human rights in Chile and No 12 pertains to the violation of human rights anywhere in the world. Cuban Vice Foreign Minister Raul Roa Kouri was one of those who spoke on topic No 12.

Also today, Morocco gave its support to the anti-Cuban draft resolution presented to the UN Human Rights Commission by the United States after Cuba yesterday presented a draft resolution on the self-determination of Western Sahara. [Words indistinct] the Cuban representation. The draft presented by Cuba and 17 other countries stresses Western Sahara's independence and the negotiations between the Polisario Front and the Government of Morocco. It was approved last night with 24 votes in favor and none against, while the rest of the members abstained.

Great Britain and the Netherlands, which had withdrawn their support from the U.S. resolution, once again backed the U.S. document after a formal withdrawal of 24 hours due to questions on procedure and conflicts, which have not been settled, in the heart of the European group. The questions were created by the unloyal attitude of the United States in presenting the resolution

against Cuba when Spain, which is currently chairing the community, was meeting with the Latin American group to reach a consensus solution.

In reference to the speech by the Cuban vice foreign minister, Raul Roa today referred to the violation of human rights in El Salvador, Guatemala, Haiti, and Paraguay. He also spoke about the negative influence the foreign debt has on the true enjoyment of human rights in Latin America. Roa also spoke about the violation of human rights in four developed capitalist countries: Canada, the United States, Great Britain, and the FRG. In another part of his speech, the Cuban vice foreign minister said:

[Begin Roa recording] It is ironic that after the fruitless efforts made by the United States in this commission in an attempt to force Cuba to sit on the defendant's stand, and despite the devastating realities in its own territory, in this instance, we have never heard that delegation make an offer similar to the one our country made last year: to invite a mission from this commission to observe the reality of human rights in the United States and to later report to us [words indistinct].

There is still time, Mr Chairman, for us to hear a similar invitation from U.S. authorities before our work on topic No 12 concludes this year. [end recording]

U.S. Actions Termed 'Dirty'

FL0703195689 Havana Radio Rebelde Network in Spanish 1800 GMT 7 Mar 89

[Station commentary]

[Text] The 45th session of the UN Human Rights Commission in Geneva is scheduled to end this week. Among the subjects that are still pending is the vote of the draft resolution presented by the United States that asks for the systematized observation of regulations on the situation of human rights in Cuba. We do not know what the outcome of that vote will be. However, we can give the following warning: This Geneva meeting will be remembered as another dirty and shameful episode in the history of diplomacy, as a mockery of the very concept of human rights, and as new proof of anti-Cuban paranoia of the U.S. Government.

In the commission's last session, Washington surprised even its own allies with the extent to which it used pressure to ensure its anti-Cuban resolution be approved. Despite all the coercion, the episode became, for the United States, the most abominable of defeats. This time, it has basically been different. The United States, because of its anti-Cuban hysteria, has even acted with disloyalty and lack of ethics toward its partners—it betrayed its word. Furthermore, while they looked for a consensus among the regional groups, the U.S. representative—a villain, a false poet, and fake cripple—surreptitiously presented the anti-Cuban resolution. It has been such a dirty, vulgar, despicable act that a certain Vernon Walters—of undoubtedly [word indistinct] mentality—has been forced to excuse and try to justify his outstanding disciple. It is to those levels that the United States lowers itself to satisfy its morbid ill will against Cuba and to, at least, achieve the approval of a weak draft resolution. Be as it may, Washington has already received a fitting answer to its attempts in Geneva when our foreign vice minister made it clear that, for Cuba, the consistent practice of human rights is one of its most beautiful banners.

Ends With 'Important' Results

FL0803020689 Havana Television Service in Spanish 0100 GMT 8 Mar 89

[Telephone report by special correspondent Pedro Martinez Pirez from Geneva]

[Text] Two hours before this newscast went on the air, a long Tuesday ended here in Geneva—where it is already Wednesday—with important work results. The debate was on topic No 5 regarding the human rights situation in Chile; topic No 12 on violation of human rights anywhere in the world; and topic No 21 regarding advisory services in human rights matters. The debate on topic 12-A, which deals with human rights in Cyprus, also ended. This point will continue to be discussed in the next session in 1990 despite Turkey's reservations.

Cuban Foreign Vice Minister Raul Roa Kouri spoke on topic No 12 and emphasized the situation of human rights in the west. Regarding Latin America, he highlighted the disastrous effect the unjust international economic order and the growing foreign debt have on the effective enjoyment of all rights and freedoms. Likewise, the Cuban representative mentioned the violation of human rights by the counterrevolutionaries in Nicaragua, the massive and flagrant violation of such rights in El Salvador and Guatemala, and also the situation of Indians in Canada and the United States.

Concerning this last country, Roa denounced the flagrant and massive violation of the rights of the black and Hispanic minority, especially of pro-independence Puerto Rican prisoners.

Castro Meets With Japanese Business Delegation

FL0403155089 Havana Tele-Rebelde Network in Spanish 1400 GMT 4 Mar 89

[Text] Commander in Chief Fidel Castro Ruz, president of the Councils of State and Ministers, has met with the Japan-Cuba Economic Conference delegation, headed by its chairman, Mr Ueda. Comrade Fidel explained to the visitors the economic efforts being made by the country and its main lines of development, including a detailed briefing on the work performed by contingents as an expression of the dedication of construction workers in the field of construction.

For their part, the Japanese businessmen referred to aspects related to the economic, industrial, and social development in their country and its outlook. Other subjects of mutual interest were the process of economic integration of Latin America, the foreign debt problem and its negative effects on Third World countries, and the international economic and political situation and its outlook.

The dialogue took place in a cordial and friendly atmosphere. Mr Ueda was accompanied by executives of the Conference and by Ryo Kawade, Japanese ambassador to Cuba. The ministers of foreign trade, sugar industry, and economic cooperation—Ricardo Cabrisas, Juan Herrera, and Ernesto Melendez, respectively—and Amadeo Blanco, Cuban ambassador to Japan, were present for the Cuban part.

Embassy in Rwanda 'Temporarily Closed'

FL0603141189 Havana Radio Progreso Network in Spanish 1200 GMT 6 Mar 89

[Text] Cuba has announced that it has temporarily closed its embassy in Rwanda.

Diplomatic sources say that bilateral contacts will be in charge of the Cuban ambassador in Tanzania.

The same sources add that friendship and cooperation relations with Rwanda have not been marred in the least.

Fishing Sector Holds Meeting With Canadians

FL0603200089 Havana Tele-Rebelde Network in Spanish 1800 GMT 6 Mar 89

[Text] May will mark the 12th year of Cuban-Canadian fishing agreements, and today was the 1st day of the 1989 Cuba-Canada bilateral meetings for the fishing sector.

The Cuban delegation is being presided over by Enrique Oltuski, vice Fishing Industry Minister, while the Canadian delegation is headed by (Peter Maybourne), first vice minister of the Fisheries and Oceans Department of Canada.

The Cuba-Canada agreements in this sector have meant important annual quotas for the Cuban fleet in the catch of hake, perch, and squid.

The delegates will also discuss fishing regulations, as well as the rational use of living resources found in Canadian fishing waters, areas rich in marine resources.

Trade Agreement With GDR; Talks With Canada

PA0803031689 Havana International Service in Spanish 1400 GMT 5 Mar 89

[Text] Cuban Vice President Carlos Rafael Rodriguez and Horst Soelle, deputy chairman of the GDR Council of Ministers, have signed a protocol on development of trade relations and cooperation and on scientific-technical exchange involving the food, electronics, siderurgical-mechanical [sideromecanica], and [word indistinct] industries.

Meanwhile, delegations from the Cuban and Canadian fishing ministries will hold bilateral talks in Havana on Monday in accordance with the fishing agreement signed by the governments of the two countries in 1977. Over the past 12 years, during which the two countries have maintained bilateral relations, the respective fishing industries have been able to solve problems arising from their own development and to obtain mutual benefits. Jorge Fernandez Cuervo, Cuban fishing industries minister, and Peter Melbourne, first deputy minister of the Canadian Fishing and Oceans Department, will head the respective delegations, which will renew the agreement on the basis of (?conservation) and the rational use of live resources within Canada's territorial waters.

Italy To Help Develop Marble Production

FL0703224889 Havana Radio Reloj Network in Spanish 2102 GMT 7 Mar 89

[Text] A letter of understanding between the Cuban Government and the UN Development Program aimed at introducing a project for the development of marble production has been signed in this capital. The document was signed by (Constante Mucio), representative of the UN Development Program; Carlo Civiletti, Italian ambassador to Cuba; and Ernesto Melendez, minister president of the State Committee for Economic Cooperation.

The project will be financed by the Italian Government. Its main goal is to support the National Union of Quarries to obtain the technological means for the extraction of marble blocks from the quarries and its processing. Immediate goals of the agreement are to obtain no less than 2,000 cubic meters of marble blocks and process that material to produce 90,000 square meters of tiles a year.

The document also provides for the supply of equipment to increase the productivity of existing marble installations in our country and the quality of the final product. This is the second multilateral agreement signed between Cuba and the UN Development Program. The donation Italy makes to our country through this mean amounts to over $1 million.

Ernesto Melendez expressed his appreciation on behalf of the Cuban Government for the signing of this agreement which will provide Cuba with Italian aid. This country has a highly developed technology in the production of marble.

(Constante Mucio) expressed that his country and Cuba have the will to get this project going. He said Cuba will be able to have its own technology with the help of Italy.

Official Document Signed With Cape Verde

FL0603140289 Havana Radio Progreso Network in Spanish 1200 GMT 6 Mar 89

[Text] Yesterday, Cuba and Cape Verde signed an official document at the final meeting of the Second Joint Commission of Foreign Trade between the two countries.

The document was signed by Cuban Foreign Trade Minister Roberto Cabrisas, and Cape Verdian Minister of Transport, Commerce, and Tourism Osvaldo Lopes da Silva.

Yesterday, the visiting minister held a meeting with Jorge Risquet, member of the Communist Party of Cuba's Politburo.

Espin Participates in Event Marking Women's Day

FL0803035089 Havana Television Service in Spanish 0100 GMT 8 Mar 89

[Text] Vilma Espin, member of the Communist Party of Cuba [PCC] Politburo and president of the Federation of Cuban Women [FMC] has attended an event hosted by the Cuban Institute of Friendship with Peoples at Los Naranjos community to mark the international women's day. Members of the diplomatic corps accredited to Cuba and foreign technicians participated in the event. They toured Los Naranjos Livestock Breeding Enterprise community. They were received by the pioneers of the Comandante Pinares School of that rural community. The comrades visited the [words indistinct] Julio Antonio Mella. Erika and Ramon Castro, director of the Valles de Picadura Livestock Breeding Farm, participated in a cultural activity together with members of the FMC National Directorate. Vilma Espin sent a message to the women of the world on the occasion of 8 March.

[Begin Espin recording] We are going through difficult times in the whole world. This joy, this happiness of the Cuban people does not exist in all countries. Women don't have the same opportunities or live with all the possibilities the Cuban Revolution provides. They don't have the advantage of having all their children in school, or the possibility of having doctors and hospitals, of being able to have a job, or of studying what they want. This does not exist in all countries. [end recording]

Citizen Proven Guilty by Police Specialists

FL0103023589 Havana Television Service in Spanish 0100 GMT 1 Mar 89

[Text] Investigations carried out by police specialists proved that citizen Miguel Angel Suarez Diaz was responsible for the armed robbery that occurred at the Havana 3 post office located on the corner of (Benacuayle) and Salvador Allende Streets, in Centro Habana Municipality.

Miguel Angel Suarez, resident of No 222 (La Guerra) Street, between Jorge and Avellaneda, took 31,000 pesos and postal frankers.

The crime took place last 18 February when Suarez, who worked as a messenger for said establishment, took advantage of a time in which there were few employees present and entered and remained hidden for several hours in the building. Later, after making certain that nobody was present, he opened four boxes in the safe and carried out the criminal action.

Within a few days, the specialists discovered the identity and later arrested the mastermind of the crime. Once taken to the police station, the accused confessed his guilt. His statement made it possible to recoup the stolen money, as well as a tape recorder he purchased with the money.

Presently, the accused is in the hands of the authorities and awaiting trial.

Murder Victim Buried; Assassins in Custody

FL0103023189 Havana Television Service in Spanish 0100 GMT 2 Mar 89

[Text] This afternoon the remains of Inocencio de la Torre Guindo were buried in Colon Cemetery. Torre Guindo was administrator of the shop on the corner of Rodriguez and San Indalecio Streets, 10 October Municipality, Havana Province.

The victim received a fatal wound last 25 February when he resisted an attack by three men who tried to rob the establishment. After evaluating the brave action of this worker who was defending the people's interest, the Council of State, at the suggestion of the Ministry of Interior, decided to posthumously award Torre Guindo with the Internal Security and Order medal. Torre Guindo was married and was the father of three children. He always had an attitude that was in keeping with revolutionary principles. He was loved and respected by the residents of his neighborhood, as well as by the patrons of the shop where he worked. During his life, he attained several medals, diplomas, and awards of recognition for his noted actions as a revolutionary.

The PNR [National Revolutionary Police] said that they had arrested Hector Fernandez Molina and Victor Manuel Chon Lopez, both possessing a terrible social attitude and both residents of Arango Street, Nos 106 and 220 respectively, Luyano neighborhood.

The third culprit was identified as Ernesto Avila Rafholtz, resident of Encenada Street No 312 between Arango and Elma Streets, Luyano neighborhood. He is expected to be arrested within the next few hours.

All of the accused will be placed at the disposal of the authorities where they will be judged for such a terrible crime.

PNR Detains Citizen for 'Attempted Robbery'

FL0703033589 Havana Television Service in Spanish 0100 GMT 7 Mar 89

[Text] The National Revolutionary Police [PNR] General Directorate has reported that Ernesto Avila Rafols was detained on Friday 3 March. This citizen was involved in an attempted robbery of the Rodriguez and San Indalecio Streets' grocery store, in Diez de Octubre Municipality, Havana, on 25 February.

As a result of this, Inocencio de la Torre Guindo, administrator of the establishment, received a wound that caused his death. Avila Rafols, 20 years old, resident of 312 Ensenada between Arango and (?Emaluyano) Streets, attempted to evade justice because he was afraid of the consequences of his acts.

His detention is another evidence that no action of this kind will find the slightest support in the bosom of our society. Avila Rafols, together with the two other perpetrators of the crime, will have to respond to the tribunals for the serious crime committed.

Fires Cause 9 Million Peso Loss to Economy

FL0103214889 Havana Radio Reloj Network in Spanish 2046 GMT 1 Mar 89

[Text] Over 14,000 fires resulting in 22 dead, and 207 wounded occurred last year in the nation. These fires caused losses of 9 million pesos to the national economy.

The provinces of Havana City and Havana had the highest rate of fires with 2,872 and 2,500 fires respectively. These fires were due to the large concentration of productive centers in these provinces.

The main causes for these fires were electrical problems, lack of maintenance and cleaning, friction and overheating of equipment, deficient handling of the fire prevention equipment, and cigars thrown indiscriminately on the floors.

Lack of preparation in preventive measures continues to be one of the leading reasons for the fires, which calls for the systematic application of Decree 141. This law states that enterprises should be fined for irresponsible acts of this magnitude.

Anguilla

Emile Gumbs Remains Chief Minister of Nation

FL2802202789 Bridgetown CANA in English 1819 GMT 28 Feb 89

[Text] The Valley, Anguilla, Feb 28, CANA—Anguilla's chief minister, Emile Gumbs, retained power in a general election that saw former leader of the small British colony, Ronald Webster, suffering an embarrassing defeat.

While Gumbs retained a seat he has held for more than two decades, former Chief Minister Webster lost by 84 votes. Gumb's party picked up three of the seven seats at stake in the poll and was strengthened by the addition of an independent candidate.

The Anguilla Democratic Party [ADP] won just one seat and the Anguilla United Party (AUP) two.

Gumbs was today re-appointed as chief minister of this 35 square mile British dependency.

An announcement from the office of the British Governor Geoffrey Whittaker stated that on the advice of Gumbs three other persons—Kenneth Harrigan, Osbourne Fleming, and Eric Reid—have been appointed as ministers.

Gumbs' Anguilla National Alliance Party (ANA), as was widely expected, was joined by the successful independent candidate, Osbourne Fleming.

Fleming served as finance and education minister in the last Gumbs administration.

Gumbs again won the Road North seat, which he has held for the past 21 years, defeating newcomer Edison Baird, a teacher running on an Anguilla Democratic Party ticket, by 72 votes.

The ADP won only one of the four seats it contested—that of leader Victor Banks. Banks defeated newcomers Mrs Orelia Kelly, a teacher running on an ANA ticket, and Dr Cuthwin Lake of the Party for Anguilla's Culturation and Economy (PACE). PACE failed in its bid to win two seats. The biggest upset of the elections was the defeat of former chief minister and leader of the Anguilla United Party, Webster. He lost by 84 votes to ANA's Kenneth Harrigan who captured 84.6 percent of the votes cast in Island Harbour, the highest turnout at the poll.

The Anguilla United Party won two seats; Hubert Hughes captured the Road South Constituency in a four way fight and Albert Hughes the west end in a three way fight. Both retained their seats.

The other successful candidate at the poll was Minister of Health and Lands, Eric Reid of ANA who retained his seat in the Valley North Constituency. Some 3,801 of the 5,195 registered voters or 73.1 percent of the electorate went to the polls.

Apart form a few instances where persons names did not appear on the voters list, the election here was said to have gone well.

Today is a public holiday and Chief Minister Gumbs is expected to be sworn in later this week.

Lists Education as Priority

FL0103225689 Bridgetown CANA in English 1521 GMT 1 Mar 89

[Text] The Valley, Anguilla, March 1, CANA—Anguilla's chief minister, Emile Gumbs, has listed education and training among his government's priorities.

Gumbs, whose Anguilla National Alliance (ANA) was returned to power after last Monday's general election, said his government would press on with its development programme and would give priority to boosting the education system.

Gumbs' party won three of the seven seats at stake in the poll and was again joined by independent candidate, Osbourne Fleming who had served as finance and education minister in the last Gumbs administration. With Gumbs opponents holding three seats, Fleming was again in the position of a power broker. He rejected appeals by the opposition to join them.

The opposition seats were split between the Anguilla Democratic Party [ADP], which won just one seat, and the Anguilla United Party (AUP), which picked up two.

The ADP's lone success, leader Victor Banks, said he thought the party could have done better. He said its showing might have been an indication that the electorate bid did not grasp the issues thrown up by the campaign.

One of the casualties of the poll was former chief minister, Ronald Webster, leader of the Anguilla United Party.

He lost by 84 votes to ANA's Kenneth Harrigan who captured 84.6 percent of the votes cast in Island Harbour - the highest turnout at the poll.

Webster charged that he was defeated through fraudulent means, that the ANA used 300,000 U.S. dollars from three businessmen to finance its campaign—charges rejected by the party.

He also claimed that the ANA brought about 78 persons with Anguillan connections from the United States to illegally vote here. It was Webster's second straight defeat. He also lost at the polls in 1974. On the other hand, Gumbs retained a seat he has held for more than 20 years.

Gumbs, in his 60's, is a former cargo ship captain. He was chief minister from 1977 to 1980, then from 1984. He is married to a Canadian, Janice, and lives at Sandy Ground, the main seaport here, about six miles from The Valley. Gumbs is keen on sail boat racing and enters a boat in local races.

Antigua and Barbuda

Nation's Election List Posted for 9 March

FL0303005189 Bridgetown CANA in English 1750 GMT 1 Mar 89

[Text] St Johns, Antigua, March 1, CANA—Following is the list of ruling Antigua Labour Party (ALP), United National Democratic Party (UNDP), Antigua-Caribbean Liberation Movement (ACLM) and other candidates for Antigua and Barbuda's March 9 general election:

St Johns City West—Henderson Simon (ALP), Donal Halstead (UNDP), Alister Thomas (ACLM).
St Johns City East—John St Luce (ALP), Duncan Finch (UNDP), Lowell Jarvis (ACLM).
St Johns City South—Christopher Omarde (ALP), Ivor Heath (UNDP Leader), Tim Hector (ACLM Leader).
St Johns Rural West—Donal Christian (ALP), Baldwin Spencer (UNDP).
St Johns Rural South—Vere Bird JNR (ALP), Strickland Jarvis (UNDP), Radcliffe Robins (ACLM).
St Johns Rural East—Lester Bird (ALP), Ralph Francis (UNDP), Conrad Luke (ACLM).
St Johns Rural North—Prime Minister Vere Bird Sr, Rolston Potter (UNDP).
St Marys North—Mowlyn Joseph (ALP), Charlesworth Samuel (UNDP), Percival Simon (ACLM), Alexander Laudanskie Joseph Independent.
St Marys South—Hugh Marshall (ALP), Hilson Baptiste (UNDP), George Goodwin (ACLM), Dr Lemuel Scaly Independent.
All Saints East and St Luke—Eustace Cochrane (ALP), Victor McKay (UNDP), Corthwright Marshall (ACLM).
All Saints West—Hilroy Humphreys (ALP), George Pigott (UNDP), Adlai Carrot (ACLM).
St George—Adlophous Freeland (ALP), Kenneth Francis (UNDP), Jerome Bleau (ACLM).
St Peter—Joseph Myers (ALP), Leon David (UNDP), Anthonyson King (ALCM).
St Phillip North—Robin Yearwood (ALP), Junie de Shalto (female) (UNDP), Joseph Samuel (ACLM), Reginald Halstead Independent.
St Phillip South—Reuben Harris (ALP), Wilmoth Daniel (UNDP).
St Paul—Dr Rodney Williams (ALP), Eustace Potter (UNDP).
Barbuda—Eric Burton Barbuda National Party (BNP), Thomas Hilbourne Frank Barbuda's People's Movement (BPM), Arthur Nibbs Barbuda Independent Movement (BIM).

Opposition Party Releases Economic Policy Paper

FL0703235989 Bridgetown CANA in English 2342 GMT 7 Mar 89

[Text] St John's, Antigua, March 7, CANA—The opposition United National Democratic Party (UNDP) has released a 20-point document detailing its "policy of economic independence."

The party, headed by Dr Ivor Heath, says it will immediately implement the white paper if it is successful in Thursday's general elections here.

The paper titled "Operation Rescue" has already raised questions with the United States Embassy in St John's denying having talks with the party about the abolition of visas for Antiguan nationals to enter the U.S.

The UNDP said it will enter into an agreement with the U.S.A. to abolish the requirement of entry visas by Antiguan nationals. The document said "discussions have already commenced with the U.S. representative." But vice consul at the embassy, Ross Brown, said no discussions are being held and the embassy will never hold discussions with a political party on such a matter. Brown also said there is no indication at the moment that the U.S. Government is considering a visa waiver programme for Antigua and Barbuda.

The UNDP document also calls for a review of wages and salaries of all government employees with a view to granting a substantial increase.

A cutback in utilities rates, compensation for workers after 10 years service, reduction of the import duty on lumber for construction of personal dwelling and duty-free concessions to small bona fide business operation are also listed.

Meanwhile, UNDP officials say the party has changed its mind about a threat to have Thursday's elections declared null and void. The UNDP had said it would contest the outcome of the elections if its agents were not allowed to accompany the ballot boxes from the polling booths to the counting centres on election day.

Party officials said the change of heart followed a decision by supervisor of elections Keithley Hill to allow what they regarded as a legal right.

Grenada

Late Prime Minister Bishop Appeal Continues

FL0303001189 Bridgetown CANA in English
2222 GMT 2 Mar 89

[Text] St George's, Grenada, March 2, CANA—Defence lawyers in the Maurice Bishop murder appeal in Grenada on Thursday continued their assault on alleged mis-directions given to the jury by the trial Judge Denis Byron in 1986.

Delano Harrison of Jamaica occupied almost the entire four-hour session, taking issue with Byron's direction as it related to one of the accused, ex-soldier Ewart Layne.

The prosecution had led evidence in the trial that Layne had given orders to soldiers to liquidate Bishop and several close colleagues at the Army's Fort Rupert in 1983. But Layne, in an unsworn statement from the dock, said that he had only given instructions to recapture the fort, which was over-run by civilians.

Layne is among 14 former Army and political officials sentenced to hang for Bishop's death in 1983, while three other were given stiff prison sentences.

According to Harrison, the judge in his summing up, had failed to direct the jury as to the possibility of his client responding to a riot or insurrection on the fort. "The complaint is that from the passages cited from the learned trial judge, in his direction was material which afforded defences in respect of which there was either no direction or no adequate or sufficient direction", he said.

Harrison was critical of the manner in which Byron allowed the jury to consider prosecution evidence that when Bishop was captured, soldier Lester Redhead had visited the military installation where Layne was located for instructions.

The evidence indicated that on Redhead's return to Fort Rupert, the late Grenada Prime minister was then lined up against a wall and executed by machine-gunners.

Harrison accused Byron of summing up in a manner which allowed the jury to speculate as to what instructions were issued to Redhead by Layne.

He asked the court to quash the conviction against his client, Layne, on the grounds that the verdict of the jury was unsatisfactory.

During the sitting, Harrison was often censured by the three-member panel of appeal court judges for straying away from the grounds of appeal.

On one occasion, Court President Sir Frederick Smith of Barbados told the lawyer that although he was prepared to give him some latitude he would not continue to allow him "rambling away".

Sir Fredrick also took issue with the defence lawyers for the manner in which they chose to describe some of the actions of the trial judge. He objected in once instance to the use of the word "scandalous" in reference to how Byron conducted "voir dires" in relation to confession statements allegedly given to the police by some defendants.

Smith felt that lawyer should find "better terms" when describing the actions of judges.

The hearing resumes Friday.

Haiti

Vessel in Miragoane Hijacked; Forced to U.S.

FL0703160089 Port-au-Prince Radio Nationale in Creole 1400 GMT 6 Mar 89

[Excerpts] In Miragoane, our correspondent Yves-Marie Jasmin reports that a vessel named "Madrid" was hijacked last Saturday by some men dressed in military uniforms who had come from Port-au-Prince. He will give us more details of this, as well as other information.

[Begin Jasmin recording] [Passage omitted] This is why the peasants of La Gonave, who have already fallen victims to big floods in the past few weeks, can find almost nothing to eat—because the owners of vessels on the island are a bit afraid to sail the seas, where for more than 3 weeks or so, they have been constantly running into groups of rough men armed with murderous weapons who always force the captains of the vessels to head clandestinely for Miami, for the United States. [passage omitted]

On Saturday 4 March at about 2000, more than 20 men carrying murder weapons forced the captain of the "Madrid," who had not even finished unloading on the wharf formerly belonging to the Reynolds [Mining] company, to leave that wharf with more than 75 passengers of all kinds aboard.

According to people who have been following this, among these 75 passengers were soldiers, wharf workers, racketeers, people (?from Source Salee), Spanish-speaking men and women, and even children. There was even a 13-year-old boy who went off to Miami without his mother even knowing about it. [break in transmission] ...who were following this "Madrid" affair, there were many military men from other towns who had come to participate in the hijacking of the boat, together with a few soldiers from the Miragoane district, whom the district authorities have not yet found, since the "Madrid" left.

Also, it is being said all over town that a sailboat carrying boat people left the port of Miragoane on that same Saturday, 4 March, at 2000 heading for Miami; that is why there are a number of young men whom no one can find around here. They seem to have fled too. [end recording]

Boat Owners on Hijackings

FL0703162989 Port-au-Prince Radio Nationale in Creole 1400 GMT 6 Mar 89

[Excerpts] More on insecurity. [passage omitted] For more than a week now, men armed with heavy-caliber weapons have been sowing panic and terror on the coastal transport wharf in Cite Soleil, where they have been seizing the boats that travel between Jeremie and Port-au-Prince and demanding that they head for Miami, Florida.

A boat owner we interviewed told us this happens mostly in the evening, when bandits with heavy-caliber weapons—weapons of all kinds—force all the boat owners to take to the open seas in the direction of Miami, Florida, clandestinely. These men have thus far taken over some six boats and made them head for Miami in the hope of finding a better life in Miami. These boats are always carrying many passengers. This situation requires a solution. this. [passage omitted]

Another boat owner told us about this same problem. He said he has to flee every night in order to get away from these evildoers, who come to mistreat them at night in order to force them to take their boats and head for Miami, Florida. We will have you listen again to a boat owner.

[Begin recording] [Second boat owner] We have come here to ask for help, because we have no security on the Cite Soleil wharf! In the evening.... [changes thought] You have a boat, which is what you feed your children and wife with, and in the evening a group of gangsters [preceding word in English] show up and take your boat away from you, and capture you and cart you away with them. If you resist them, they will kill you.

Now, we have no resources whatsoever, so we have come to ask for help, because from the minute a boat comes in, if it makes it in, you have to unload it quickly and leave immediately. You don't even have time to sleep, because there is no security whatsoever. You are a lost man!

[(Dominique)] What kind of weapons do these armed men carry?

[Second boat owner] I don't know. Picks, knives, revolvers, all kinds of things. There is shooting but you don't know if (?it is the authorities shooting) or what! And you, who are unarmed...

[(Dominique), interrupting] What do you want us to do, exactly?

[Second boat owner] Well, they come to steal your boat so they can go to Miami. Even if Miami...

[(Dominique),interrupting] To use as transportation for boat people?

[Second boat owner] Yes. Even if Miami is open, I know that people should buy a vessel—everyone should pay, together, to buy it. I myself, who am poor, cannot have a boat, with which I make a living for my wife and children, with which I pay for my children's schooling, with which I pay for a house in which to live—and have some guy come and take it and leave me empty-handed! What am I going to do with my children? I have kids in school and all kinds of responsibilities!

That is why I am asking for help, for them to patrol, and help us on the wharf!

[(Dominique)] How long has this been going on?

[Second boat owner] Well, it began more than a week ago. This is the sixth boat. [end recording]

You have just heard boat owners, most of whom travel between Jeremie and Port-au-Prince, who are having difficulties with armed men dressed in military uniforms who force these boat owners to head for Miami, Florida. This happens mostly in the evening at the Cite Soleil wharf.

The ball is now in the court of the Port-au-Prince police, which (?should) do something to normalize this situation existing at the Cite Soleil wharf.

Further on Boat Hijackings

FL0703184089 Port-au-Prince Radio Nationale in Creole 1400 GMT 6 Mar 89

[Excerpts] According to our Jeremie correspondent Luckner Laguerre, people in Jeremie are also very concerned over this business of vessels being hijacked. We will have you listen to him.

[Laguerre] On the night of Saturday to Sunday, there was a big fuss, panic, and clash on the boat "Caridad," which travels weekly between Port-au-Prince and Jeremie, as it was on its way back to Jeremie. There was shooting and passengers were wounded and had to be hospitalized.

It seems that a group of young men tried to take over the boat and force it to go to Miami. This happened on the open sea, near Miragoane.

According to Eric Pierre, the (?person in charge of overseeing the loading) of the boat, in order to begin the operation this group of young men attacked a soldier who was traveling on the boat, in an attempt to disarm him. The soldier fired off a shot which hit another passenger, Ambroise Desir, in the leg. Desir is at present hospitalized in Jeremie. Listen to the (?person in charge of overseeing the loading) of the Caridad.

[Begin Pierre recording] At around midnight, some 20 men terrorized a sergeant on vacation. The sergeant had to (?pull his weapon and) fire a shot. The bullet broke someone's leg. They (?jailed) all those men in the barracks. [end recording] [passage omitted]

Houses Searched by Police, Justice of Peace

FL0703170089 Port-au-Prince Radio Haiti-Inter in French 1200 GMT 6 Mar 89

[Excerpts] The Port-au-Prince police made several arrests this weekend. The exact number of arrests, as well as the results of the searches made in the presence of a justice of the peace will be made public sometime today, says a source close to the Port-au-Prince police. This source says that the searches have to do with people who have firearms but no legal permit to carry a weapon.

A strong military presence was noted in several neighborhoods in Port-au-Prince and its suburbs on Saturday 4 March. While a house was being searched, the streets adjacent or perpendicular to the house were closed off to traffic by dozens of soldiers. There were thorough searches conducted on Delmas 19 in Petion-Ville on Rue Magloire Ambroise, on Rue Nicolas, and on Rue (La Fleur du Chene). In this area, the residence of Dr Turneb Delpe [head of the Nationalistic and Progressive Party of Haiti] was searched.

There were also searches in the Delmas area, where the residence of Rockefeller Guerre was thoroughly searched. Two people were arrested at Guerre's house, but later released. [passage omitted]

[Begin recording] [Guerre, in Creole] [Passage omitted] They searched my house. They found, in my room, a 38-caliber revolver that I have had ever since I was a deputy, to defend myself against the macoutes. They took it. [passage omitted]

The permit had expired. I had never renewed it because I did not need to carry a weapon on me. Since the Constitution gives a person the right to possess, at home, the means to defend his life and property, the weapon had remained in my room, so I could defend myself against thieves. I had never renewed the permit.

I am very surprised that they came and destroyed things inside my house like that. They know I am a political leader. As a political leader and the head of a party duly registered with the Justice Ministry, I have a right to possess a weapon with which to defend myself. Therefore, I see this as systematic persecution against me on the part of the government. I think this is a follow-up to the information minister's communique, a follow-up to my arbitrary arrest on 6 February. And since despite the fact that the judge ruled that there were no grounds for prosecution, they had stated that the investigation was going to continue; I see this as a maneuver that is continuing with a view to giving me a hard time. This is how I interpret this.

[Unidentified reporter] Were the uniformed men at your house this morning wearing blue or olive green?

[Guerre, in Creole] There were many in blue, but most of the troops were from the Leopards Corps. However, the good news they [not further identified] gave me is that many men among the searchers said that it was the house of engineer Guerre, who is a political leader and who should have a weapon at home; many of them said this, and that if I had a permit, the revolver should be left at my house. However, I was not home to show them the permit. I think that the reason they took away the revolver is because I was not there to show them the permit. However, I was told that Colonel Rebus was passing through the area and saw this and told them:

Take it easy, because it is the home of a political leader, Rockefeller Guerre. He has a right to have a revolver at home with which to defend himself. [end recording]

While some of Mr Guerre's servants, who talked to us Saturday, reported that the soldiers took certain pieces of furniture at the Guerre residence apart, the owners of houses searched in several different neighborhoods told us that the searches were conducted in the presence of a justice of the peace and that the soldiers were courteous.

We were also told that Mr (Clement Rigaud) was arrested on Morne Calvaire [in Petion-Ville]. We hope to have the details promised by the Port-au-Prince police sometime after 0900.

Army Conducts House Searches

FL0703162089 Port-au-Prince Radio Nationale in Creole 1400 GMT 6 Mar 89

[Text] On Saturday 4 March, the Army searched several houses in various capital neighborhoods. PNDPH [National Democratic and Progressive Party of Haiti] leader Dr Turneb Delpe says that his house was searched too. He is in favor of this operation that is being carried out by the Haitian Army, but he thinks it should be done very soberly. He also recommends that there be a certain amount of psychological preparation, because when the soldiers enter people's houses, the elderly and the ill could be traumatized. Therefore, he asks that the Army be very honest and very sober during its searches—and he is very much in favor of these searches.

We questioned several soldiers on this matter. They told us that houses in several neighborhoods in the capital were searched within the framework of the problem of insecurity. The searches are not going to stop, they said. They are going to continue to do conduct such searches so that they can guarantee the security of the lives and property of the residents of the capital.

We remind listeners that the soldiers also searched the residence of Rockefeller Guerre and other parts of the capital.

Radio Soleil Resumes Operations 6 Mar

FL0703184989 Port-au-Prince Radio Nationale in Creole 1400 GMT 7 Mar 89

[Text] Radio Soleil, the voice of the Catholic Church in Haiti, resumed operations yesterday evening, after a short paralysis. The guards in charge of guarding and maintaining the station's transmitters located at (Troutier) in the Cul de Sac Plain had blocked the operations of the transmitters. They had demanded that Radio Soleil authorities, (?both the instructors and) general director Father Hugo Triest enter into negotiations with them.

Our team of reporters went to the transmitter site to try to get a statement from the guards, but they were unable to obtain a statement.

For his part, Father Hugo Triest threatened to go on a hunger strike if they are unable to find a solution to the problem.

We noted that Radio Soleil resumed broadcasting yesterday evening. We called a member of the newsroom team this morning. He told us everything was back to normal, and that Father Hugo Triest had made a statement over Radio Soleil last night which might be rebroadcast today during Radio Soleil's newscasts.

Military Prevent Scheduled 3 Mar Demonstration

FL0603182489 Port-au-Prince Radio Metropole in French 1145 GMT 6 Mar 89

[Excerpts] The demonstration that was scheduled for last Saturday in Port-au-Prince—a demonstration to demand, among other things, the resignation of the Avril government and that Father Aristide be taken back into the Salesian Order—was prevented from taking place, forbidden, by the military from Fort Dimanche, despite an authorization from the Port-au-Prince police. Furthermore, two young demonstrators were arrested and taken to Fort Dimanche and mistreated.

Our reporter Rothschild Francois Jr will tell us what happened.

[Francois] The military dispersed an antigovernment demonstration by the Committee of Revolutionary Unemployed Haitians [name as heard] in Port-au-Prince Saturday morning. [passage omitted]

Two members of the committee were arrested during the intervention by the forces of order: Ernst Charles and (Abelard Vaudret). The two men, released a few hours later, claim they were manhandled by the soldiers at Fort Dimanche. Ernst Charles, head of the Committee of Patriotic Unemployed Haitians, who organized Saturday's demonstrations, tells us what happened.

[Begin recording] [Charles] When I appeared with my flag and attache cast in hand a quartermaster sergeant said: There is no arresting people today. Today there is executing people!

Since I know I have a responsibility, and since I had written the Port-au-Prince police and knew I was legal, I went before them and said: Gentlemen, here's the story; I have a document.

They said: You and who else is here? There was (Abelard), who said he was with me.

They asked me: Where are the others?

However, there is a tactic among the organization. We never give out information. So we said: There is only us.

So the guy said: Make those two get into the vehicle.

Thus they carted us away. When we arrived there, we encountered a Baron [allusion to Baron Samedi, the voodoo spirit that is master of cemeteries and concerns itself with the passage between life and death], a guy dressed entirely in black, wearing a tall hat.

[Unidentified reporter] Where? Where?

[Charles] At the entrance to Fort Dimanche. [passage omitted]

[Reporter] Who beat you? The soldiers from Fort Dimanche?

[Charles] Yes, them. They said: You seem to have forgotten about the existence of Fort Dimanche. [passage omitted] After they mistreated us and seized (?every document on us), after they beat us a lot, they said: Run.

We knew that if we ran they would shoot us in the yard, so we walked away. And they continued beating us on the way out, until we were out. [end recording]

The Committee of Revolutionary Unemployed Haitians is going to continue the struggle despite this campaign of intimidation by the military, says Ernst Charles. [passage omitted]

We point out that according to the members of this organization, the Committee of Revolutionary Unemployed Haitians, the demonstration had been authorized by the Port-au-Prince police. However, the gathering was dispersed near Saint Jean Bosco Church.

Delegation Investigates Recent Labadie Incidents

FL0603200989 Port-au-Prince Radio Metropole in French 1700 GMT 3 Mar 89

[Text] The representative of the Department of the Public Prosecutor in Saint-Marc, the commanding officer of the area's military district, and several other officials have gone to Labadie in the Artibonite to investigate the acts committed recently—twice—by men wearing red armbands.

[Correspondent Lionel Exantus] Several abusive, destructive acts during which fires were set occurred in Labadie on Friday 17 February. On that occasion, a group of thugs [sans maman] set fire to some school desks at the MJL, Labadie Youth Movement, school and at the national school.

In order to investigate this matter, the commanding officer of the military district of Saint-Marc, the representative of the Department of the Public Prosecutor in Saint-Marc, and the press went to Labadie on Wednesday 22 February. They said they were there to punish the guilty parties.

Alas, they were not fortunate enough to run into a single one of the perpetrators of these crimes!

The captain from Saint-Marc said he was going to do (?everything he could) to establish peace in Labadie.

Yesterday, Thursday, Copol, the Coordinating Body of People's Organizations of the Artibonite, held a press conference at [word indistinct] theater in Saint-Marc to say what it thought about these acts.

Copol spokesman Serges Desroches—one of the principal victims from among the Labadie movement and one of Copol's and MJL's main leaders—said that the thugs are regaining strength in Labadie. No military [words indistinct] arrests. Rather, they are investigating the operations of the MJL. According to Desroches, those responsible for the crimes are never (?put in jail). They possess weapons with which to intimidate anyone who is trying to have (?truth) triumph.

Copol says that peasants in the four corners of the Artibonite must keep a close eye on (?turncoat) politicians who are taking positions in favor of Avril and saying that they are not going to support strikes and demonstrations calling for Avril to step down because they don't know who might succeed him. Copol asks for the entire Haitian people to rise up and keep a close eye on thugs and flunkies.

Finally, Copol says: Alone we are weak. Together we are strong. All together, we constitute an avalanche.

This is Lionel Exantus, Metropole, in Saint-Marc, in the lower Artibonite Valley.

Reaction to 'Problem of Insecurity' in Country

CATH's Mesyeux Comments

FL0703172789 Port-au-Prince Radio Haiti-Inter in French 1200 GMT 6 Mar 89

[Excerpts] [Passage omitted] Regarding the problem of insecurity, we have some reactions. Citizens highlight their fears. [passage omitted]

We have two unionists, Jean Claude Lebrun of CATH-/CLAT [Autonomous Organization of Haitian Workers affiliated with the Latin American Central Organization of Workers] and Jean Auguste Mesyeux of the CATH [Autonomous Organization of Haitian Workers], who get directly to the point: The Army is capable of putting an end to the insecurity, says the former. The population must set up vigilance brigades for its own defense, says the latter. [passage omitted]

[Begin Mesyeux recording, in Creole] [Passage omitted] The insecurity (?is being caused) by a number of people who have had weapons since 7 February [1986]. They were never disarmed, not by the CNG [National Government Council] or any government, including the present Avril government, which was supposed to disarm everyone, which promised to do so. You saw how, when the soldiers began to disarm people, well-known

Villalobos said that the rebel proposal responds to the current changes in El Salvador and the Esquipulas peace efforts and comes in the wake of the failed Reagan administration policy and the fact that George Bush has assumed office as the new U.S. President.

According to Villalobos, the Reagan administration's policy toward El Salvador "has failed" and the counterinsurgency plan "appears infeasible" because the groundwork of this plan—the belief that the guerrillas were "isolated" and that "the rightists' ability to conspire with the Army had been destroyed"—turned out to be mistaken assumptions.

Villalobos explained that the failure of the ruling Christian Democratic Party to become "a democratic center" to guarantee the democratic process in El Salvador compounded the problem of mistaken assumptions.

Villalobos said that the FMLN would be willing to stop the armed struggle, but only if negotiations are held between the government and the Army, which would involve reducing the Armed Forces (from 52,000 to 11,000 men), the trial and punishment of military personnel guilty of committing crimes against the people, and the creation of a new police force.

The 37-year-old Commander Villalobos said that "change cannot be represented" by actions taken by the rightist Nationalist Republican Alliance (ARENA), a rightist party that public opinion polls rank first in the Salvadoran voters' preference.

Asked about the possibility of an ARENA election victory, Villalobos replied that "in that case—which we are sure will not happen—continuing the war would be very complex."

He added: "Whoever breaks the rules, rejects the election results, or tries to continue the war will be at a disadvantage."

Villalobos described as "bold" the rebel proposal to agree to accept the election results if the elections are postponed until September and if new conditions for holding clean elections are negotiated.

Villalobos emphasized: "It must be explained that if the FMLN loses the elections—and this is what is bold about this proposal—it would endanger its future ability to accumulate forces; however, if the other party dares commit fraud, it would endanger its own ability to accumulate forces." [passage omitted]

Legislature To Appoint Negotiating Commission

PA0803020589 San Salvador DIARIO LATINO in Spanish 7 Mar 89 p 3

[Letter from Legislative Assembly President Ricardo Alvarenga to President Jose Napoleon Duarte; issued to the press in San Salvador on 6 March]

[Text] Legislative Palace, San Salvador, 6 March 1989

Mr President of the Republic:

With regard to the meeting held on Wednesday, 1 March within this branch of government, it is my honor to inform you that it was decided today, during a session of the officers of this body, to proceed—pending approval by the Legislative Assembly—to form a commission of deputies that will be a component of the negotiating commission that you mentioned in your proposal to the Farabundo Marti National Liberation Front (FMLN) on 26 February of this year.

The commission of deputies that will be appointed by the full legislature to be a part of the government negotiating commission will act within the framework that we have established, which consists basically of the following premises:

1. The existence of political resolve on the part of both branches of government to seek paths to peace in line with the Constitution of the Republic.
2. The establishment of a government commission made up of members of the executive and legislative branches to conduct peace talks with the FMLN.
3. The agenda of the meeting should discuss the FMLN's offer of:

a. A permanent end to the armed struggle.
b. Incorporation of the FMLN into the country's political and civilian life.
c. Recognition and acceptance of the Salvadoran Armed Forces as the people's only legal armed forces.
d. An immediate unilateral halt in hostilities by the FMLN as an indispensable requirement for the peace talks to begin.

In advising you of the foregoing, it remains for me to inform you of the number and names of the deputies who are selected, as well for the Executive Branch to issue an official notice of the persons who will be its representatives.

I hereby inform you that the undersigned, in his capacity as president of the Legislative Assembly, will participate in the negotiations, if necessary, at the appeals level, along with Alfredo Cristiani.
This said, I reiterate my appreciation and esteem.
God, Union and Freedom,
Ricardo Alberto Alvarenga Valdivieso

Parties To Decide on FMLN Proposal 9 Mar

PA0803045389 San Salvador Canal Doce Television in Spanish 0304 GMT 8 Mar 89

[Report by Mauricio Funes—passages within quotation marks recorded]

[Text] Something unexpected has happened. Against all odds, the political parties have agreed to meet again on Thursday, 9 March, because they say they still lack enough information to reach a final decision [on the Farabundo Marti National Liberation Front (FMLN) election proposal].

[Unidentified speaker] "All the political parties agreed to give their final answer on Thursday, regarding [2-second break in reception] the FMLN proposal to see if we can start a dialogue and begin negotiations."

It was reported yesterday that today's meeting would be the last meeting, and it was taken for granted that the presidential elections would not be postponed. However, the parties said that before they could make a decision they need to learn what the Legislative Assembly is doing about President Duarte's request to establish an official commission to hold talks with the FMLN.

In a letter sent today to Legislative Assembly leaders, the president asked the Assembly to declare that achieving peace is a priority task and, therefore, to allow a 60-day period to hold talks with the FMLN by ordering the elections to be held on 30 April. Although President Duarte's request is no different from his initial proposal, the Nationalist Republican Alliance [ARENA] agreed to hold a meeting on Thursday. It ruled out postponing the elections unless a constitutionally viable proposal is submitted.

[Unidentified ARENA leader] "Everything hinges on not breaking the constitutional framework, as that would cause an institutional disruption equal to or more serious than the violence we have experienced during the past 9 years. That is the problem, and now that the other representatives are here they should listen. They want a way out of the elections? They should withdraw their candidates. Right now, the candidate of the Democratic Convergence [CD] is registered. We have heard the CD members say they are prepared to participate in the 19 March elections.

"Therefore, we do not see why we should confuse the situation. The Central Electoral Council has called for the elections. Each party must react to that situation as it deems best."

The Christian Democratic Party [PDC] looks at things from another viewpoint. It said political parties must wait until the Legislative Assembly (?meets) to reach a final decision.

[Unidentified PDC leader] "ARENA's stance has been very clear all along, which means the elections will be held on 19 March. That is very clear. Within this context, ARENA is seeking to project an image of flexibility that is not in line with its actions and ideology. That is why its present contradictions are surprising.

[Reporter] "Is there any chance of withdrawing candidates based on the result of Thursday's meeting?

[Unidentified PDC leader] "Sure. However, that is no longer necessary in this case. President Duarte's proposal is very clear. We think peace is a priority. It is up to Legislative Assembly to decide whether it is or not. That is the next step. We will be at the Legislative Assembly tomorrow. You will see the actions of ARENA deputies at the Assembly tomorrow. We will see the results of tomorrow's session."

It was said the political parties' meeting nearly ended in failure due to a lack of consensus and the delay in making a final decision. Representatives of the National Democratic Union [UDN] felt the big parties were maneuvering to take political advantage of the political opportunities that these talks have opened.

[Unidentified UDN leader] "We must define ourselves now. The other political parties cannot continue playing into the hands of these political parties, which lack the necessary courage to face the Salvadoran electorate. We reject the FMLN proposal.

[Reporter] "What can be expected from Thursday's meeting?

[Unidentified UDN leader] We can expect that a decision will be made on this matter."

According to the UDN, [words indistinct] Thursday's meeting will allow the PDC to breathe life into President Duarte's proposal, while ARENA does not want to pay the political price of rejecting the FMLN proposal. The political parties' last meeting did not add anything new to the previous meetings. The only thing that can be expected from Thursday's meeting is that a final decision will be made, but it will not vary greatly from what the major parties have already publicly stated.

CD's Zamora on Elections, Talks, Postponement

Blames U.S., Duarte for 'Crisis'

PA0703214189 Hamburg DPA in Spanish 2006 GMT 7 Mar 89

[Text] Washington, 7 Mar (DPA)—Salvadoran opposition leader Ruben Zamora today said that the U.S. Government is to a great extent responsible for the political crisis in El Salvador because it has not yet developed a Central American policy.

Zamora, leader of the Salvadoran Democratic Convergence [CD], today in Washington also criticized Salvadoran President Jose Napoleon Duarte's Christian Democratic government for not postponing elections, which are scheduled to take place on 19 March, until later this year. He is wasting a genuine opportunity to achieve peace in El Salvador, Zamora added. The leader of the CD, which is composed of three leftist opposition parties, said his party would recognize the victory of rival parties.

The CD supports a proposal presented in January by the Communist Farabundo Marti National Liberation Front [FMLN] requesting a postponement of the elections in order to reorganize the entire election process. The

The former president of the Inter-American Development Bank said during a news conference in Guanajuato, after meeting with businessmen from Leon—the first industrial city in the central State of Guanajuato—that Mexico is far from suffering from a social explosion as the one experienced by Venezuela inasmuch as the two countries' situation is totally different.

In our country, businessmen, workers, and the government have made great efforts to solve the economic problem. A program was presented in Venezuela and the people responded but he assured that we do not have this risk here.

Ortiz Mena noted that although it is true that up until now Mexico's creditors are showing an apparent hard line, more accessible payment conditions will be achieved at the end of the negotiations.

Finally, he said that of all Latin American countries that have negotiated their debts, the only one that has gotten ahead is Mexico because it is considered a good debtor country.

Attorney General's Office on Antidrug Campaign

PA0603025289 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 1 Mar 89

[Summary] Javier Coello Trejo, deputy attorney general for investigation and struggle against drug trafficking, has reported the Attorney General's Office will have a budget of 122.6 billion pesos to fight drug trafficking in 1989.

In his report, Coello Trejo said additional air and ground equipment will be acquired and that more than 1,200 new positions have been opened at the Federal Judicial Police and 300 at the Attorney General's Office.

Coello Trejo also denied the presence of DEA agents in Mexico investigating drug-related cases.

It was also reported that investigations have led to the discovery and confiscation of counterfeit money totaling $11 million in Cuidad Juarez, Chihuahua State.

Cocaine Seized in in Chihuahua, Oaxaca

PA2302164889 Mexico City XHTV Television in Spanish 0200 GMT 21 Feb 89

[Summary] The Mexican Attorney General's Office held spectacular operations during the weekend that dealt a strong and effective blow to the drug traffic in Chihuahua and Oaxaca. The Federal Judicial Police [PJF] confiscated 1,385 kg of pure cocaine and arrested 6 persons in a light plane that was landing in Villahermosa, Chihuahua. The plane was coming from Colombia and landed on a clandestine airstrip. One of the persons arrested, (Guisseppe Catania Poniglione), was an important Medellin cartel member and has been linked to heroin traffic in Marseille, France. In Oaxaca, the PJF and the Federal Highway Police engaged in a shoot-out with the occupants of a truck that did not stop at an inspection site. The truck ran into a gully, and police found 735 kg of cocaine under cases of peanuts.

El Salvador

CD Sources Say U.S. 'Positively Received' Plan

PA0803033589 San Salvador EL MUNDO in Spanish 6 Mar 89 p 6

[Text] According to Democratic Convergence (CD) sources, the Bush administration has positively received the CD's proposal to postpone elections until 9 July and have Salvadoran parties withdraw their presidential candidates from the race on 10 March.

CD presidential candidate Guillermo Manuel Ungo presented the initiative to U.S. congressmen and State Department officials last week. On 2 March he met with Stephen McFarland, the U.S. Embassy political secretary, and informed him of the proposal.

According to the same sources, it was decided to publish the proposal on 3 March. The proposal calls on the Salvadoran Government to reach an agreement between 13 and 16 March and to issue a decree so the CD proposal can be viable. Simultaneously, representatives from the government, guerrillas, and political parties would hold talks in Mexico from 7 to 9 March to enable the Farabundo Marti National Liberation Front [FMLN] to participate in the elections, take steps toward a definitive cease-fire on the basis of an agreement with the Armed Forces, and guarantee the necessary conditions for the rebels to join the nation's political life.

Meanwhile, the guerrillas—in accordance with the work carried out at the national and international level—announced Friday night their willingness to hold a fourth round of talks on 7 and 8 March in San Salvador, as the elections are approaching and the government is delaying in replying. The source added that the FMLN has conducted political efforts within the framework of the proposal presented on 23 January in the United States by leaders of the Revolutionary Democratic Front (FDR)—its political ally—who were sent there to explain the initiative to U.S. Government officials.

According to the sources, this forced President Jose Napoleon Duarte to retract his statement against the FMLN's "political proposal" and to announce a counterproposal on 26 February, and made rightist sectors agree to meet with representatives from other political parties in Oaxtepec, Mexico.

The sources added that the Bush administration is interested in the guerrillas' initiative, and has promised Ungo that it will be studied. Meanwhile, U.S. economic and mililtary aid will be conditioned on the government's peace efforts through nonviolent means and respect for human rights. The Madrid daily EL PAIS reported last Thursday that Ungo arranged a meeting between Commander Ana Guadalupe Martinez, a member of the FMLN Political-Diplomatic Commission, and an unidentified U.S. State Department official during the inauguration of Venezuelan President Carlos Andres Perez. However, the U.S. Government has denied such reports.

The source said the Bush administration is interested in the proposal "because it knows the Reagan administration was not able to defeat the FMLN in 8 years despite spending $3 billion, and because the U.S. Congress—controlled by the Democrats—is having trouble justifing additional aid."

The source added: "The FMLN is really interested in achieving peace, because the war has claimed many victims and economic losses total millions of dollars. Furthermore, we must try to prevent an imminent social explosion due to the rightists' stubbornness, which would result in more deaths."

"In this manner, the left is engaged in effective work both here and abroad. The United States, which economically supports the Salvadoran Government, has positively received the proposal. Now it is up to the rightist sectors to become aware of the situation and support peace," the source concluded.

Villalobos Comments on Elections, Postponement

PA0703143889 Panama City ACAN in Spanish 1753 GMT 6 Mar 89

[Excerpt] San Salvador, 6 Mar (ACAN-EFE)—Joaquin Villalobos, one of the five top Salvadoran rebel leaders, said that the Salvadoran guerrillas anticipate an "overwhelming victory" if the Farabundo Marti National Liberation Front, FMLN, participates in the presidential elections, provided they are held on 15 September instead of 19 March.

During an interview with Chilean sociologist Marta Harnecker attended by ACAN-EFE, Villalobos asserted: "Based on our analysis of FMLN and government strength, we are certain of an overwhelming election victory."

Villalobos, founder and leader of the People's Revolutionary Army, ERP—one of the five Salvadoran guerrilla organizations—said that the proposal to postpone the elections "represents a challenge for all social forces and for all those who think that the FMLN and the entire left constitutes a minority."

The rebel commander added that postponing the elections would permit active FMLN members and supporters to register and vote on election day.

Villalobos emphasized that if the elections are postponed and if the FMLN participates, the FMLN "will not suffer a propaganda setback. Postponing the elections would ensure equal use of the media, a considerable amount of money would be spent, and our campaign would be comparable to or better than the rightists' campaign."

Salvadoran left wing is hopeful that this would improve its position vis-a-vis the ruling Christian Democratic government and the right-wing Nationalist Republican Alliance [ARENA].

Zamora added: All discussions on the elections have brought progress. For example, the government agreed to hold talks with the FMLN, and all Salvadoran parties agree that a political solution is needed in El Salvador.

Army 'Main Problem' in Talks

PA0803025289 Madrid EFE in Spanish 2333 GMT 7 Mar 89

[Text] Washington, 7 Mar (EFE)—El Salvador's CD representative Ruben Zamora said today in Washington that the Salvadoran Army will become the "main problem" to a negotiated solution to the conflict in his country. "It is not because they are afraid of being tried," he said, "but because of the guerrilla proposal to reduce the size of the Armed Forces from 60,000 to 12,000 troops. The officer corps, which is very large, is probably already studying the situation with the feeling that promotions are in jeopardy."

The peace proposal presented by the FMLN on 23 January stated that they are willing to lay down their arms and accept a single Army if military personnel who have committed crimes are tried and if the number of Armed Forces personnel is reduced to what it was before the war.

The proposal underscored the importance of the U.S. attitude since "the military is watching the new government in Washington," Zamora said.

Although Zamora recognized the temporary failure of the proposal—since the government of Jose Napoleon Duarte rejected the guerrillas' proposal to delay the elections by 6 months—he pointed out that "this effort has produced some results and will produce more results by year's end."

"All the parties have already talked with the FMLN, and there is a consensus that we must seek a political solution to the conflict. The government emerging from these elections will be weaker, because it has already rejected the possibility of peace and will have no other option than to accept a dialogue," Zamora said.

Zamora justified the fact that the FMLN waited until 23 January to present its proposal by saying that the FMLN "had to wait until the Reagan administration left office, because Reagan always automatically rejected proposals."

He added: "Bush could not reject it, because he would be accused of following Reagan's policy, nor accept it, because he would have been criticized by the State Department. He did the only thing he could do: He waited."

The CD representative rejected the claim that Bush was caught off guard by the guerrillas' initiative. "The U.S. Government had it before it was made public. We spoke to the U.S. Embassy in San Salvador the day before it was announced."

"They responded with silence because they said they did not have a policy in that regard and could define one in 24 hours," Zamora said.

When asked whether the State Department had a hand in drafting Duarte's counterproposal to the FMLN, the Salvadoran leader said: "The embassy says no. My impression is that the Bush administration will buy anything since it has no clear policy."

Zamora declined to predict the results of the 19 March elections, because "the FMLN proposal has changed the entire election outlook and has raised the people's expectations for peace."

"It might be that disillusioned people will decide to abstain from voting, and this could hurt us; or it might be that they are angry and will cast their votes to punish ARENA and the Christian Democracts. It is very difficult to predict the outcome at this time."

His party would consider receiving 15 percent of the vote a success since this would allow it to "play a role" in the general elections.

Zamora, who arrived last night in Washington and will return to El Salvador tomorrow, will participate today in a debate before Congress on the outlook for peace in his country.

'No Chance' of Postponement

PA0803041089 Buenos Aires REUTER in Spanish 0258 GMT 8 Mar 89

[Text] Washington, 7 Mar (REUTER)—A leader of the Salvadoran leftist Democratic Convergence said today that there is no chance of postponing the 19 March presidential elections in El Salvador.

However, Ruben Zamora, a representative of the CD—which has ties to FMLN guerrillas—said that if there is a runoff election, some parts of the rebels' peace proposal could be used.

"In that case, the CD could have a role," Zamora said at a conference on foreign affairs.

A few days after President Bush took office in January, the FMLN proposed ending the armed struggle and participating in presidential elections if the elections were postponed until September.

A month later, Salvadoran President Jose Napoleon Duarte proposed postponing the elections for 6 weeks. Meanwhile, the Salvadoran Legislative Assembly is still assessing the talks held with the guerrillas.

According to a recent survey, there will probably be a runoff election because none of the major parties will receive 50 percent of the vote in the first round.

Zamora said that in a close vote between the ruling Christian Democratic Party and the rightist ARENA, the CD could exert considerable influence if it manages to obtain about 15 percent of the vote.

Electoral Council Head Views Elections
PA0703225089 Panama City ACAN in Spanish 2030 GMT 7 Mar 89

[Text] San Salvador, 7 Mar (ACAN-EFE)—Ricardo Perdomo, president of the Central Electoral Council (CCE), said today that the Salvadoran presidential elections scheduled for March 19 will take place "under fire" because no agreement has been reached with the guerrillas.

The Farabundo Marti National Liberation Front (FMLN) proposed postponing the elections until 15 September in order to negotiate a new electoral framework that would guarantee the purity of election results and a massive turnout at the polls, among other things.

Perdomo, who is also a leader of the ruling Christian Democratic Party (PDC), said that because no agreement has been reached by the opposing forces "the elections will be held under fire," which "will increase the number of casualties."

Perdomo, who deplored the lack of an agreement, nevertheless asserted that the CCE "has everything ready" for the elections.

According to Electoral Council statistics, 1.8 million Salvadorans will go to the polls to elect a successor to PDC President Jose Napoleon Duarte.

Ricardo Perdomo announced that the government and the Armed Forces "have prepared specific plans to guarantee smooth elections."

Jorge Diaz, representative of the rightist Nationalist Republican Alliance (ARENA) at the CCE, said the polls will open at 0700 (1300 GMT) and will close at 1700 (2200 GMT), as established in the Electoral Code.

Diaz noted that 1.8 million Salvadorans will cast their votes at 6,250 voting tables.

Duarte's successor will take office on 1 June for a 5-year term.

The parties that will participate in the elections are ARENA, PDC, the leftist Democratic Convergence (CD), the rightist National Conciliation Party (PCN), the Authentic Christian Movement (MAC)—a PDC faction—and the rightist Popular Union (UP), Democratic Action (AD), and Authentic Revolutionary Party (PAR).

According to surveys conducted by private institutions, ARENA is favored to win the elections, followed by the PDC and the CD.

The surveys also showed that although ARENA is expected to win, the elections will not be decided on 19 March because there will not be an absolute majority, which means that it will be necessary to hold a runoff election the following month, as the Salvadoran Electoral Law stipulates.

Ochoa Cited on Talks, PDC-CD 'Alliance'
PA0803053689 San Salvador Canal Doce Television in Spanish 0311 GMT 8 Mar 89

[Report by Mauricio Funes]

[Text] Colonel Sigfredo Ochoa Perez has said that the Nationalist Republican Alliance [ARENA] and the Legislative Assembly have stipulated that the dialogue between the Farabundo Marti National Liberation Front [FMLN] and the government cannot take place unless the rebels suspend all military actions. Ochoa Perez said that ARENA does not oppose a dialogue with the FMLN but that it will not give in to the rebel organization's pressures as it threatens to increase military actions if its election postponement proposal is not accepted.

[Begin Ochoa recording] What is the point in talking to guerrillas if they continue to destroy? Look, things have to be stated very clearly. The Armed Forces would be frustrated if we held a dialogue with the rebels while the war continues in El Salvador. One of the things the rebels must do is to cease their hostilities. The Armed Forces have halted offensive operations, but what has happened? The FMLN has attacked Santa Rosa de Lima, Nueva Concepcion, and other communities such as San Ramon, where civilians were also killed. When we confront the FMLN, we know we are confronting some pretty astute characters. We must accept that. I admire the situation they have created, but it is our problem if we fall into their trap. The entire FMLN proposal must be studied with a magnifying glass to find all the booby traps. [end recording]

The ARENA deputy warned that there are Armed Forces officers who are frustrated with the government's political decisions. He said that coup rumors start with the ill-feeling generated by the talks with the FMLN, which give the impression that the Armed Forces' efforts over the past years will be sacrificed.

discuss the debt and to seek an agreement that would involve the IDB [International Development Bank]. Any agreement must have the support of the United States, because only a clear U.S. attitude in this direction could lead Japan and the FRG, for example, to participate in a multilateral action of this nature.

"What has happened in Venezuela, a very stable and democratic country, indicates that economic problems can lead to the destabilization of the Latin American economic process."

[Question] Could Latin America open or expand financial links with Japan or Canada, for example?

[Cerezo] "It is obvious that there is a rapprochement. The world is moving toward independence from hegemonic centers of economic and political power. It is not good for Latin America to have the United States be its sole center of economic assistance. Multilateral relations decrease absolute dependency, and other countries participate in finding solutions to the problems.

"Japan has to find how to invest its capital, the United States has to revitalize its own economy, and we have to refinance ours."

"The bold measures taken by Mexico and Venezuela indicate that we are searching for fundamental solutions. If the industrialized countries do not respond in kind soon, however, we will have to make drastic decisions that will affect international stability."

[Question] How could the EEC, currently being chaired by Spain, contribute to a solution?

[Cerezo] "The EEC can play a very important role, because the Europeans are heard in the United States, exert influence on world decisions, and can do much. Spain is putting special emphasis on an EEC opening toward Latin America. Spain has been chairing the EEC since January and will hold that post until June 1989. Spain is trying to enhance Europe's awareness of the importance of getting closer to Latin America."

[Question] Mr President, can you continue to spread democracy in your country in the face of the unease caused by an Army that manufactures its own ammunition and whose independence you have to acknowledge?

[Cerezo] "The Guatemalan Army is positively and voluntarily adjusting more to institutional life each day, and for this reason I have no concern in this regard.

"One factor that has allowed me to calmly make decisions and to maintain a very autonomous position in Central America is the presence of a very independent Army, an Army that has a certain degree of autonomy in obtaining logistical supplies. Today's Army is free of ideological influence from the United States and from the traditional economic forces that in the past used the Army to impose their political and economic decisions. This really gives me peace of mind."

[Question] But not long ago there was some unrest in the Army, and there was a frustrated attempt to overthrow the democratic system in your country.

[Cerezo] "Guatemala's foreign policy created much unrest in the country, especially among mid-level officers who do not have much political education. The officers have been briefed on our foreign policy, however, and the situation has improved. We have been strict with discipline in the Army. We want soldiers, not Rambo-style guerrillas. Twelve officers who made mistakes have been removed from the Army. They were urged by certain economic groups to carry out a coup on 10 May 1988 as a reaction to some social reforms—primarily tax reform—that are not negotiable."

[Question] Could there be a coup if the economic situation gets worse?

[Cerezo] "Some sectors have unsuccessfully tried to create such a situation. The success of our political measures has increased the Army's prestige. Institutional values are no longer being distorted, because the military no longer is getting involved in political or social movements. The Army is fulfilling its task without pressure from political parties or the masses."

[Question] How does the military view the guerrilla problem?

[Cerezo] "The military is concerned. They are facing the guerrillas under the terms we have set: less emphasis on military pressure, more contact with the people, and military action only when it is absolutely necessary. There are between 700 and 1,000 armed guerrillas in the country."

[Question] From whom do the guerrillas receive support?

[Cerezo] "They are backed by Cuba through the Mexican border. Our border with Mexico goes through 600 km of jungle, and no one can control anything there. The guerrillas receive their arms through that border."

[Question] Why do you refuse to talk with the guerrillas?

[Cerezo] "I refuse to talk with any group setting conditions. The government cannot accept a dialogue with conditions. Our only condition is listed in the Esquipulas II agreement. The government will have a reconciliation with those groups that freely state they want to participate legally, without weapons, in the country's political life."

President Cerezo returns to Guatemala on 6 March.

Rights Organization Members Cited on Situation

PA0603161289 Guatemala City PRENSA LIBRE in Spanish 2 Mar 89 p 6

[Text] Oswaldo Enriquez and Arturo Piedrasanta, members of the Guatemalan Human Rights Commission [CDHG], have said that President Cerezo lies when he says that Guatemala has been taken off the agenda in Geneva, Switzerland at a UN meeting to investigate human rights violations.

In an exclusive interview with PRENSA LIBRE, Enriquez said he believes Guatemala's case should be debated and then voted on during the UN sessions, which have not yet taken place, to determine whether our country will be transferred to the "Point 12" category; that is, the part of the agenda that includes nations that have grave records of continued and repeated human rights violations.

Enriquez said that Guatemala is in this situation because, in rural areas: Service in the Civic Self-Defense Patrols is mandatory; executions are carried out without trial; persons are constantly missing and never found; and there is constant fear, since the security corps keep the rural population in a constant state of anxiety.

The death squads operate under different names and are part of the official apparatus of repression. Their anonymity guarantees impunity for their actions, which are undeniable violations that are part of a long list of atrocities, Enriquez said.

"It is our opinion that the human rights situation in Guatemala is very different from the official, disinformative version of President Cerezo and the government, and we are documenting every case presented to us to give the international community an objective panorama that will confirm the official disinformation," he added.

"We make these statements neither to incite confrontations nor to arouse disputes, but to see that human rights are respected in our country. That will be achieved on the day no Guatemalan goes missing or is summarily executed," he said.

Violations will also end when the level of illiteracy declines, when we have health care, when the rate of infant mortality decreases, when more persons have access to higher education, and when persons can really express themselves without fear of repression, he continued.

He said that the CDHG will express the views of those who for different reasons have had to leave Guatemala due to serious threats of physical harm made against them.

Enriquez and Piedrasanta were accompanied by an international delegation that included Elizabeth Baulmin, a Swiss jurist representing various organizations in her country; Maria Pedro Bruce from the United States, representing a Catholic women's organization in her country; and Emily Yozell, a lawyer representing a lawyers' organization in her country [not further specified].

The accompanying delegation members said that in their respective countries the organizations they represent are awaiting the results of the national dialogue and are alert for any incident that violates the security of persons or that of members of the CDHG.

The delegation members added that they will meet with Gonzalo Menendez de la Riva, the human rights attorney in our country, to jointly analyze the situation.

They said that the government has tried to distort their work by connecting them with insurgent sectors; they emphatically denied this. According to them, all they want is for Guatemala to be a safe place in which to live and for our descendants to have a country with a better future.

In conclusion, they said that they will hold a news conference at 1700 on Saturday, 4 March at the Camino Real Hotel.

Honduras

Contra Movements in El Paraiso Protested

PA0603154289 Panama City ACAN in Spanish 1333 GMT 6 Mar 89

[Text] Tegucigalpa, 6 Mar (ACAN-EFE)—Coffee growers in eastern El Paraiso Department reported today in this capital that Nicaraguan contras have begun looking for places to hide and are moving out of the camps they set up in 1987 in Honduran territory near the Nicaraguan border. The coffee growers asked that the Army maintain effective control over the Nicaraguan rebels.

According to the report, groups of about 100 contras have entered the areas of Yamales, Las Trojes, Las Vegas, Arenales, Espanol Grande, Espanolito, and La Lodosa, "far away from the traditional camps."

The coffee growers said: "This movement of contra forces is unusual. In moving about in this fashion they have destroyed farms, some houses, and have occupied coffee-producing areas, thereby once again displacing Hondurans in their own country."

In 1983, 1984, and 1986, hundreds of Honduran coffee growers from El Paraiso Department were forced from their lands when Sandinist troops entered Honduran territory in pursuit of contra forces.

Since their appearance in 1982, the contras have operated from Honduran territory despite Honduran Government denials that they do so with the Honduran

figures (?or) criminals—crush the fortress at Delmas, go and uproot at Claude Raymond's and a number of people like that—you saw how the government discharged those people. I think that the captains and the other people who went to do this lost their jobs. So, this means, as you can see, that the government is in complicity—because they know who all the people who possess weapons in the country are. When you call the police, they too play deaf. They never come. But now they have begun attacking all kinds of people in Haiti.

The solution is for the population to organize itself. The population should begin to organize vigilance brigades again, like the brigades that were crushed. The people in each neighborhood should sharpen their machetes, or knives, or whatever they have, so as to defeat these people. [end recording] [passage omitted]

EDH Issues Press Release

FL0703185589 Port-au-Prince Radio Nationale in Creole 1400 GMT 7 Mar 89

[Excerpt] Still in connection with the matter of insecurity, the employees union of Electricite d'Haiti [EDH, the national electric company] has issued a press release.

We remind listeners that around 2300 on Sunday night, an EDH employee was shot in the foot while riding in an EDH night shift vehicle. In view of this situation, the EDH employees union also sets forth its position on this matter of insecurity, especially since EDH is an institution that works around the clock.

In view of this distressing situation, says the press release, they are obliged to wonder if this act has anything to do with the battle EDH is waging against theft of electric power, which bigshots have clearly shown themselves to be against. Does the work of EDH hinder the death squads as they go about their murderous acts in Haiti?

EDH is paid by the population to provide good service. Aren't the Haitian police and Army also paid by the population to provide security? And why don't they do so as they should?

Thus, the EDH employees union asks the population to organize itself to defend its neighborhoods and establish proper security so that EDH can come repair power failures when necessary. The government must take measures to prevent EDH employees from falling victim to such acts of brigandage.

If these conditions are not met, we are sorry, but we will not be able to go out into the streets at night to repair problems, because we are not going to allow ourselves to be murdered, [says the press release]. [passage omitted]

St Christopher and Nevis

Simmonds Calls for 21 March General Elections

FL0303204089 Bridgetown CANA in English 1921 GMT 3 Mar 89

[Text] Basseterre, St Kitts, March 3, CANA—St Kitts and Nevis prime minister, Kennedy Simmonds, has called for March 21 general elections that opponents think could be the toughest for his nine-year coalition government.

Simmonds announced the election date and candidate nominations for March 11 during a public meeting Thursday night at Green Lands Park in central Basseterre.

He told the gathering his administration deserved another five-year term of office because it had brought social and economic progress to the twin-island state. Simmonds' Peoples Action Movement (PAM) and Simeon Daniel's Nevis Reformation Party (NRP) teamed up to form the government after a 1980 poll. They were again successful in 1980, with the PAM taking six of the eight seats set aside for St Kitts in the parliament here, and the NRP grabbing all three Nevis seats. But former premier, Lee Moore, has been saying he is optimistic his Labour Party will gain more than two seats it picked up in the 1980 poll.

The electoral fight here is expected to be a straight one between the PAM and the Labour Party, but a third political group, the Peoples' Liberal Party (PLP), could be facing the electorate for the first time. The PLP, launched late last year, is headed by medical Doctor James Sutton.

The fight in Nevis will be between the NRP and a collection of opposition parties—the Concerned Citizens Movement (CCM).

Simmonds and Daniel, who is premier of Nevis, are fielding a full slate of candidates.

The PAM candidates, presented last night, are; Simmonds; Michael Powell, the deputy prime minister; Roy Jones, the trade minister; Sydney Morris, education minister; Constance Mitchum, the minister responsible for women's affairs; Hugh Heyliger, the agriculture minister; Royden Benjamin, special assistant to the prime minister; and Roosevelt Caines, special assistant in the ministry of agriculture. Benjamin is running for the first time, but Caines failed to win a seat in 1984.

The NRP candidates are: Daniel; Uhral Swanston, minister without portfolio in the national government and Joseph Parry, a minister in Nevis government. Parry is replacing Ivor Stevens, minister of communications and works in the national government, who is retiring from active politics.

Some Labour Party leaders are also retiring. Charles Mills, the Labour MP for St Paul's constituency, is quitting. He is being replaced by medical Doctor Denzil Douglas.

After 37 unbroken years in parliament, Joseph France is also retiring. Running in his place in the West Basseterre constituency is Labours Terrence Condor, a businessman.

Moore, a lawyer, is again running against Mitchum. Other Labour candidates are:

W. Henry Browne, deputy leader of the party; Errol Maynard, a former defense force chief; Cedric Liburd, who manages an insurance business; James Buchanan, a land surveyor; and St John Payne, a former minister of agriculture.

Maynard, a newcomer, is running against Simmonds.

St Vincent and the Grenadines

New Party Pledges Constitutional Reforms

FL0203003989 Bridgetown CANA in English 1405 GMT 1 Mar 89

[Text] Kingston, St Vincent, March 1, CANA—The newly-formed National Reform Party (NRP) here has pledged to revise the country's nine-year Constitution and implement a social reform programme that would "give first to those who need the most."

Established by retired Music Officer, Joel Miguel, the NRP has published its manifesto, but said it would wait on the people's response before deciding if it would contest the next general elections, constitutionally due by October.

Miguel has declined to name the other members of the party's leadership, but said they were "well respected people in the community."

The NRP has brought to five the number of political parties in this 150 square mile Caribbean country. The others are the ruling New Democratic Party (NDP) of Prime Minister James Mitchell, the St Vincent Labour Party (SULP) led by Vincent Beache, the United People's Movement (UPM) of lawyer, Adrian Suanders, and the Movement for National Unity (MNU) of lawyer and former University of the West Indies (UWI) lecturer, Dr Ralph Gonsalves.

The NRP says the country's present Constitution, adopted in October, 1979 when the country gained independence from Britain, was out of context with theprogressive thinking emerging in the society in recent years. "This Constitution was conceived when Vincentians had not yet quite arisen out of the confining ambience of colonialism; the thinking was still niggardly, it knew nothing about liberalism, and little about liberty," the NRP said in its nine-page manifesto.

The party is opposed to the amount of power the Constitution accords the prime minister and says it is "morally, physically, socially and administratively unacceptable. It tends to keep our politics and government authoritarian, tribal, and our administrations feudal; hence it encourages the worst aspects of party politics," it adds.

The proposed constitutional amendments include the establishment of an "upper chamber" to the single chamber house of assembly, which the NRP described as "a mockery and a waste of time and money".

The party said its agricultural plan would redress the practice of importing between 70 per cent and 82 per cent of the country's annual needs, by implementing an intensive diversified programme, which would create jobs, reduce the overall cost of living, and retain more foreign exchange.

Through that programme, they party said, tourism, social development and industrialisation would follow and St Vincent and the Grenadines would be recognised as the "bread-basket of the Caribbean".

The party said it was committed to the readjustment of the social balance of the society and would address adult education, mount a determined fight against acquired immune defiency syndrome (AIDS) and would review water and electricity charges, as well as hospital, medical and dental fees.

The party said it would establish centres to advise on social and legal matters and would generally work towards the eventual establishment of a welfare state.

On the problem of illegal drugs, the party promised, among other things, to establish a drug court which could be convened withing 72 hours to deal with drug trafficking cases involving foreigners.

Trinidad and Tobago

Minister Resigns After 'Day of Resistance'

FL0703231089 Bridgetown CANA in English 2301 GMT 7 Mar 89

[Text] Port-of-Spain, Trinidad, March 7, CANA—To follow is the text of Education Minister Clive Pantin's letter of resignation, dated March 7 and made public by the information division of Prime Minister A.N.R. Robinson's office:

"Dear prime minister, yesterday's "day of resistance" saw the smallest percentage of attendance by public servants at the Ministry of Education. The percentage given was 15 per cent against the national average of 65 per cent.

In addition, the attendance by school children was abysmal and that of the teachers most disappointing—this in spite of repeated calls and appeals by the minister of education for full attendance and the regarding of Monday March 6 as a normal school day. Education, thus, was the one sector which would have been said to have responded to the trade union 's request to stay at home.

"Viewing this whole scenario objectively, it must be construed that those (i.e. parents, teachers and children) whom the minister of education has been nominated to serve have lost confidence in him by ignoring his appeals.

In the highest form of parliamentary behaviour, therefore, I offer you my resignation and thank you for having given me the honour of serving our people.

Sincerely, Clive Pantin."

Cooperation Agreements Signed With Belize
PA0703165789 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 4 Mar 89

[Text] Mexico and Belize have signed several cooperation agreements. The two countries stressed their interest in fighting drug trafficking and drug abuse. Regarding tourism, a plan was approved to protect and restore architectural, cultural, and historic monuments. In addition, the two countries agreed to protect and improve the environment at their border area and approved a program to sell electric power to Belize.

Credit Secretariat on 'Flight of Capital'
PA0703154589 Mexico City EXCELSIOR in Spanish 27 Feb 89 pp 1, 10-A

[Report by Jesus Rivera Valero]

[Text] Mexico has outlined in detail to the representatives of five creditor countries its urgent need to stop transferring net resources abroad, either by acquiring fresh financial resources or by making transactions to reduce the future service on the foreign debt in order to be able to absorb the labor demands between 1989 and 1994.

The Finance and Public Credit Secretariat [SHPC] made the announcement last night in a report issued after a meeting at which Finance Secretary Pedro Aspe Armellas briefed President Carlos Salinas de Gortari on the results of his visit to Spain, France, Great Britain, Switzerland, and the FRG, following a visit to Canada made for the same reasons. The credit representatives with whom Aspe spoke clearly understood that there is an emergency in Mexico and promised to conduct consultations to reduce the flight of capital abroad.

The analysis of Mexico's foreign debt will culminate with a an IMF Interim Committee meeting scheduled for April.

According to the Finance Secretariat, during the Mexican delegation's meetings, it became clear that much importance is placed on the forthcoming meeting of the IMF Interim Committee (composed of 20 countries) and the World Bank's Development Committee scheduled for April.

According to the SHCP report, the Mexican delegation found that even though the United States and Canada are fully aware of the Mexican economic situation, talks with officials in charge of financial matters in those countries and with creditor representatives were extremely useful and timely and created an awareness of Mexico's achievements in its struggle to control inflation and to stabilize its economy.

The secretariat announced that the delegation was able to provide an objective analysis of the effect the burden of the debt has had on Mexican society in terms of growth, the standard of living, and job opportunities over the last few years, and the urgency with which Mexico must resume sustained growth once stabilization has been consolidated.

Mexico urgently needs to reduce the flight of capital abroad, and this was outlined in detail during the various meetings held by Mexican representatives with European and Canadian representatives.

As was announced before the trip, the goal of the Mexican delegation headed by Aspe was to create an awareness of the great effort Mexico has made in creating adjustments in various economic sectors over the past few years.

The principles guiding President Salinas de Gotari's economic policy and the most important characteristics of the Pact for Economic Stability and Growth were also explained.

The creditor representatives were also briefed on the effects the Mexican foreign debt has on prospects for future development, the secretary explained.

Several technical and operational mechanisms that might help reduce the service on the foreign debt and their potential effects on regulatory, accounting, fiscal, and legal matters were also discussed.

The SHPC pointed out that discussion on these issues will continue over the next few weeks.

It was announced that in accordance with the delegation's objectives outlined at the beginning of the trip, Mexico's position on the debt was fully explained. The specific proposal that Mexico has already presented to U.S. financial and international financial organizations will continue to be discussed over the next few weeks.

The delegation also included Bank of Mexico Director Miguel Mancera Aguayo, SHPC's under secretary for international financial affairs, and Enrique Vilatela, director general of the SHPC office in charge of obtaining foreign credit.

Country Not To Declare Foreign Debt Moratorium
FL0703234489 Mexico City NOTIMEX in Spanish 2037 GMT 7 Mar 89

[Text] Guanajuato, Mexico, 7 Mar (NOTIMEX)—Antonio Ortiz Mena, director general of the National Bank of Mexico (Banamex), asserted today that the country will not declare a moratorium on the payment of its foreign debt because it is taking the right path to renegotiate it. He said the fact that Mexico has reserves for only 3 months is nothing serious because money comes in and goes out during this period of time. He gave as an example that in January and February of this year, a larger amount of dollars came into Mexico than the amount that went out. Thus, there is nothing to worry about.

[Begin Ochoa recording] The soldier, the officer in the field, feels frustrated. He feels that all his efforts have been in vain and that with one signature they will all go down the drain. I believe... [changes thought] I will dare to bring up a personal matter here. We have heard that the Christian Democrats are attempting to reach an understanding with the Democratic Convergence [CD], hoping to get another chance at elections. If the Christian Democratic Party [PDC] candidate is attempting to form an alliance with the CD, I beleive this is a betrayal. This is treason and it is treason to the Armed Forces. We have to warn people right away to see for themselves where [PDC candidate] Fidel [Chavez Mena] is taking us. Personally, I have always thought that the PDC has served as a bridge for the Marxists to attain power. Let them ask the Chileans if this is not true. [end recording]

Ochoa Perez said that in other countries elections have taken place despite war, and that the military conflict in our country should not be used as a pretext for elections to be postponed and the Constitution violated.

Minister Criticizes ARENA's Position

PA0303051789 San Salvador Canal Doce Television in Spanish 0315 GMT 8 Mar 89

[Report by Alfredo Villarreal]

[Text] Culture and Communications Minister Roberto Viera said this afternoon that in refusing to change the date of the elections, the Nationalist Republican Alliance [ARENA] has shown its rejection of the country's peace process.

Minister Viera said President Duarte has urged the Legislative Assembly to appoint a commission as part of the agreement reached between the executive and legislative branches to designate commissions in order to form a single front to conduct the necessary talks with the guerrillas.

Viera added that President Duarte has called for a meeting this Thursday at which the commissions would define specific points to be discussed as soon as possible with the Farabundo Marti National Liberation Front [FMLN].

[Begin Viera recording] We hope the commission appointed by the Assembly will truly represent the government and that there will be a chance of reaching agreements with the FMLN. The president has offered new opportunities so that the path toward dialogue and peace will not be blocked. He has also demanded that the legislative branch be responsible so this can take place. [end recording]

Viera strongly criticized ARENA because it has insisted on holding the elections on 19 March and has refused to postpone them as proposed by the FMLN, a proposal that the other parties have accepted.

[Begin Viera recording] ARENA has refused to postpone the 19 March elections; it has categorically said no, rejecting the opportunities for peace, even though a change in the election date could be a determining factor in the peace process. [end recording]

Minister Viera accused the San Salvador mayor's office of obstructing Christian Democratic Party [PDC] campaign activities, such as rallies and meetings. He announced that the PDC will end its campaign this coming weekend.

'Sabotage' Cuts Electricity to East Region

PA0703205589 San Salvador Canal Doce Television in Spanish 1900 GMT 7 Mar 89

[Text] At least half of the country was left without power this morning as a result of recent Farabundo Marti National Liberation Front sabotage of primary electric lines.

Preliminary bulletins from the Lempa River Hydroelectric Executive Commission [CEL] report the destruction of five 115-kilovolt lines, an action that left the entire eastern region of the country without electricity.

According to this information, the affected areas are San Juan Opico, Nejapa, San Rafael Cedros, San Martin, the 15 September Dam, and San Miguel.

According to the sources, CEL workers were still searching for the sabotaged sites as of noon because many are in areas difficult to reach.

Meanwhile, the Electric Power Company of San Salvador has temporarily suspended electricity service to some parts of the capital following an undetermined number of recent attacks.

FMLN Claims Army Disrupted Vaccination Plan

PA0603035089 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 6 Mar 89

[Text] Regarding the vaccination campaign scheduled for 5 March, the Farabundo Marti National Liberation Front [FMLN] reports the following to international human rights organizations and the Salvadoran people in general:

1. Military Detachment No 4 troops began heavy mortar attacks on the areas of Jocoaitique and (Nianguera), Morazan Department, on the afternoon of 4 March.

2. In the afternoon of 5 March, Military Detachment No 4 troops conducted a heavy military attack between Osicala and the bridge over the Torola River. The troops entered (Nianguera) and began shooting to simulate clashes with enemies. They also carried out heavy mortar attacks on areas in northern Morazan Department.

3. Those actions were conducted to disrupt the vaccination campaign in the area north of the Torola River.

We reiterate that there have been no clashes between the Army and our forces in that area.

We report these actions before all human rights organizations and hope efforts are made to vaccinate the thousands of children living in this area of conflict in northern Morazan Department as soon as possible.

This is our report on Armed Forces actions that interrupted the vaccination campaign in our Morazan Department.

Those Armed Forces actions, denying the rights of children living in northern Morazan Department to participate in the vaccination campaign, are conducted at the same time as the Armed Forces declared a propagandistic cease-fire. Those actions, which suspended children's vaccinations in northern Morazan Deparment, are closely related to recent actions against the civilian population, such as the crimes in [words indistinct] carried out by Army members last week.

We reiterate our call on the appropriate organizations to immediately schedule another vaccination campaign for the thousands of children who live in this area of conflict in northern Morazan Department. The children were deprived of their right to be vaccinated because of the Armed Forces actions.

Guatemala

Cerezo: Presidents To Send Note to Noriega

PA0703222589 Panama City ACAN in Spanish 2148 GMT 7 Mar 89

[Text] Guatemala City, 7 Mar (ACAN-EFE)—Guatemalan President Vinicio Cerezo today revealed that the Central American presidents will ask General Manuel Antonio Noriega, commander of the Panama Defense Forces, to ensure that the elections in that country are "absolutely free."

The Christian Democratic leader said the area presidents will send a letter to Gen Noriega asking him to provide "guarantees of pureness and absolute freedom during the general elections" scheduled for this year.

Two coalitions, an opposition one led by Guillermo Endara and a progovernment one led by Carlos Duque, will vie for the Panamanian Presidency on 7 May.

According to the Guatemalan president, the request to the commander of the Panama Defense Forces is to ensure that the government headed by Manuel Solis Palma will contribute to the process of democratization and peace in Central America.

Cerezo Discusses Debt, Army, Guerrillas

PA0603192689 Paris AFP in Spanish 0040 GMT 5 Mar 89

[Text] Washington, 4 Mar (AFP)—Guatemalan President Vinicio Cerezo today proposed that Latin America look at Japan, Canada, and the EEC to escape from "absolute dependency" and to urgently seek solutions to the continent's grave foreign debt problem. Cerezo made this statement during an exclusive interview with AFP at the conclusion of his 6-day visit to the United States.

At the OAS, Cerezo proposed a summit of the presidents of Latin America and the United States. He offered Guatemala as the host country for that summit. He noted that the main issue to be discussed at that meeting would be the search for a solution to Latin America's foreign debt problem. The White House and Congress promised Cerezo that his country would receive military aid ($9.4 million in 1989) as well as economic aid ($134.9 million).

Cerezo told the U.S. congressmen that, contrary to what has been alleged in the United States, the human rights situation in Guatemala "has improved." He criticized the Guatemalan guerrillas, saying they are "backed by Cuba," and praised "the institutional values" of an Army that only 10 months ago tried to overthrow him.

Cerezo revealed that in January he met in Panama with General Manuel Antonio Noriega to ask him to respect elections "because they represent a mechanism that contributes to peace in Central America." He noted that the region's presidents will prepare a document in this regard.

President Cerezo also said that because of questions of nepotism, "it is legally debatable" whether his wife, Raquel Blandon, "could become a presidential candidate." Cerezo confirmed, however, that she is one of three presidential hopefuls of the Christian Democratic Party. "I have not voted for her," Cerezo said.

[Question] Mr President, so many issues have been covered during your visit that it does not seem the visit centered on any single issue. Could you tell us what have been the results of your visit in the political, economic, and military aspects?

[Cerezo] "The trip had various objectives: to maintain the level of economic aid to Guatemala, to defend our human rights policy, and to speak about peace in Central America and about the need for speeding up discussions on the foreign debt. Generally speaking, the response was positive."

[Question] How do you think the foreign debt problem could be resolved?

[Cerezo] "At a forthcoming meeting of foreign ministers in Caracas, we will officially propose that the Americas hold a presidential summit in Guatemala to specifically

Government's permission. Honduran officials have claimed that the rebels' presence in Honduran territory is due to the impossibility of patrolling the extensive border with Nicaragua.

There are currently about 13,000 contras and 35,000 contra family members in Honduras receiving U.S. humanitarian aid in camps that the Honduran Army is supposedly keeping under very close surveillance.

Azcona on Foreign Exchange, 'Plan' for Contras

PA0603130789 Tegucigalpa Cadena Audio Video in Spanish 1222 GMT 6 Mar 89

[Interview with President Jose Azcona by Gustavo R. Rubi; place and date not given—recorded]

[Text] [Rubi] Mr President, some analysts claim that there has been an unfair distribution in the country of the available foreign exchange. They also claim that this unfair distribution has caused economic chaos in the country.

[Azcona] This is not true. The foreign exchange is used for specific purposes. Foreign exchange is used to cover government expenses, Foreign Ministry expenses, and defense expenditures; to purchase medicine; to pay the foreign debt; to purchase raw materials; and so forth. Therefore, what they have said is not true.

We are no longer granting foreign exchange for the purchase of luxury items. The foreign exchange needed to purchase such products is not being distributed through the Central Bank. We are strongly restricting the sale of the dollar to private persons, except for the $100 that can be obtained when you present your passport, or for health and (?education) purposes.

These charges are groundless, totally groundless. The problem is that there is much pressure on the lempira; too many people are trying to buy dollars. As we have said on several occasions, this demand makes the lack of foreign exchange more obvious.

[Rubi] Will you reiterate that the contras must leave the country?

[Azcona] We already have a plan; in other words, we have promised to prepare a plan to do this.

Strike Leads to 'Militarization' of Hospitals

PA0403202389 Panama City ACAN in Spanish 1633 GMT 4 Mar 89

[Text] Tegucigalpa, 4 Mar (ACAN-EFE)—The Honduran Government today militarized all hospitals in the country and threatened to fire all employees—on strike since early this week—who do not return to work by Monday.

The indefinite strike was decreed on Monday by the Association of Hospital Employees [Asociacion de Empleados de Hospitales] and the Union of Medical, Hospital, and Related Workers [SITRAMEDHYS], which are demanding salary increases of approximately $3 million.

The government has offered $1.5 million in raises, pointing out that this sum represents an enormous sacrifice for the public budget, given the current foreign debt payments and internal deficit reductions.

The Association of Hospital Employees accepted the government's offer, but the SITRAMEDHYS, which represents the majority, decided to continue the strike.

The militarization was carried out today without opposition from the workers, who have yet to decide if they will return to work on Monday or continue with the strike.

The Honduran Government has informed the news media that, in addition to the human and material damage, the strike has resulted in losses of approximately $125,000 per day.

BCIE Lends $20 Million for Housing Program

PA0203192789 Tegucigalpa EL HERALDO in Spanish 24 Feb 89 p 2

[Summary] Rolando Ramirez Paniagua, president of the Central American Bank of Economic Integration, BCIE, said in Tela, Honduras on 23 February that the institution will disburse $20 million in a few days so the Honduran Government can initiate a large-scale housing program. He also said the loan, which has a very low interest rate, is payable within 15 years.

Nicaragua

OAS Supervision of Pardon, Contras Requested

PA0703125589 Managua Radio Sandino in Spanish 1214 GMT 7 Mar 89

[Text] The Nicaraguan Foreign Affairs Ministry has asked OAS Secretary General Joao Baena Soares to verify the release of almost 2,000 former Somozist guards from prison and to lend his support to the demobilization of contras settled in Honduras.

In a letter sent to Baena Soares, Nicaraguan Foreign Affairs Minister Miguel D'Escoto asks him to supervise the Somozist prisoners' release, either personally or through a representative. The Somozist prisoners will be released thanks to a pardon initiated by Nicaraguan President Daniel Ortega. D'Escoto also requested OAS support for implementing and verifying a joint plan to demobilize, repatriate, or relocate the contras currently in Honduran territory, Nicaragua, or third countries.

He invited both Baena Soares and UN Secretary General Javier Perez de Cuellar to appoint groups of international observers to verify the honesty of Nicaragua's forthcoming election process. Nicaragua offered to provide all possible guarantees to ensure verification of the various stages in the election process which, according to Ortega's proposal at the Central American presidential summit in El Salvador, will culminate in general elections on 25 February 1990.

Contra Leaders Report on Talks With Perez

PA0803024989 Madrid EFE in Spanish 0047 GMT 8 Mar 89

[Text] Miami, 7 Mar (EFE)—Two "contra" leaders stated here today that during their recent meeting with Venezuelan President Carlos Andres Perez the possibility of holding "a tripartite dialogue" with the Nicaraguan Government and the domestic opposition was discussed.

Adolfo Calero and Aristides Sanchez, who recently returned from Caracas with other Nicaraguan Resistance (RN) Directorate members, stated that the meeting with Perez and representatives of the 14 Nicaraguan opposition parties had been of the "utmost importance."

According to Calero, Perez had agreed at the meeting, held over last weekend, that there was "a dictatorship" in Nicaragua and that it had to be changed because "it not only harmed Central America but was a threat to the entire continent."

Calero noted that Perez' participation in the Central American problem was very important and recalled that the Venezuelan president had been a decisive factor in the fall of Nicaraguan President Anastasio Somoza in 1979.

Both RN leaders said that Perez had stated that he had "a responsibility to the Nicaraguan people" and wanted to lead it to democracy.

According to the anti-Sandinist leaders, Perez had stressed the need for the RN and the Nicaraguan internal opposition to join together as a national unity organization and that it was necessary for the Sandinist government to accept "the merits of a tripartite dialogue."

Both leaders stated that the Venezuelan president had reaffirmed his total support for the Esquipulas II agreements, and that Nicarguan democratization was the only way to attain peace in the region.

Calero noted that Venezuela had sent a Supreme Electoral Council commission to study the Nicaraguan electoral process as proof of its desire for peace and democracy to be reestablished in the region.

Calero added that "the commission will make the recommendations that it believes are necessary to hold free and democratic elections in February 1990, or whenever they are to be held."

Sanchez noted the RN's decision "to exchange weapons for democracy," but added that "we are not willing to turn in our weapons for Sandinist promises."

At the recent "summit" of the five Central American presidents in El Salvador on 13 and 14 February, the presidents agreed to demobilize the "contras" if Nicaragua holds free elections and implements democratic reforms before February 1990.

Defense Ministry Denies Report on 'Offensive'

PA0403140389 Managua Radio Sandino in Spanish 1930 GMT 3 Mar 89

[Report by Juan Carlos Sarmiento]

[Text] A report published on 27 February by LA PRENSA, which claims that the Sandinist People's Army is preparing an offensive bigger than the Danto-'88 operation against mercenary groups within the next few days and mentions the secret transportation of T-55 tanks, missiles, weapons, and ammunition to former combat zones, has been denied by Lieutenant Ronald Martinez, chief of the Defense Ministry public relations office in Region 6.

The Army is currently conducting its usual activities, as it has done in the preceding months, which have been characterized by a relative peace in territories that used to be battlefields. The Defense Ministry public relations officer termed the LA PRENSA report irresponsible since it seeks to discredit and undermine the peace efforts and agreements signed by the five Central American presidents.

Honduran Troops Harass Border Post 3-4 Mar

PA0703173689 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 7 Mar 89

[Text] Honduran troops used rifles, 81-mm M-1 mortars, and .50-caliber machineguns to harass the Murupuchi border post at Teotecacinte, Nueva Segovia Department.

According to Nicaraguan Defense Ministry reports, the attacks took place on 3 and 4 March.

Human Rights Commission Official Meets Ortega

PA0403201589 Managua BARRICADA in Spanish 3 Mar 89 p 6

[Text] Daniel Ortega Saavedra, president of the Republic and commander of the revolution, met on Wednesday evening with Dr Marco Tulio Bruni Celli, president of the Inter-American Human Rights Commission (CIDH), who arrived for a short visit to our country as part of a tour through the Central American region.

ambassador to Havana, Mr Claraso de la Vega, for the purpose of considering commitments that the Foreign Ministry made in talks with Cuba concerning the admission of Cubans into our country.

At first some of these commitments were allegedly made over the objections of the Argentine Embassy and Foreign Ministry, which were opposed to the hiring by a local farm of 15 or 16 Cubans who had the appropriate permit from the National Directorate of Migrations to settle in Argentina. In an obscure procedure, seen from the perspective of the justice system, the embassy sent the resolution, going over the head of the Migrations Directorate, to the secretary of Latin American affairs, who is a colleague of the foreign minister. A decision was then allegedly made to follow the dictates of the Cuban Government and prevent anyone who did not have prior authorization from the Cuban Government from entering Argentina; this was a clear-cut surrender of sovereignty, on the one hand, and showed a disregard for the most elementary human rights of Cuban citizens, on the other.

As the readers of LA PRENSA may remember (this column informed them in detail of the matter some 2 months ago), this issue prompted the farm in question to request prosecution of the foreign minister and the diplomatic personnel involved in the maneuver, who had disregarded its rights and the rights of the Cubans who wanted to work in the country after having obtained the corresponding permit from the Argentine immigration authorities. The case is still being heard, and the proximity of a ruling adverse to the minister and the current candidate for deputy from Alfonsin's party, or else to some diplomatic personnel who are under him, presumably prompted the aforementioned meeting.

Nevertheless, we would do well to pay careful attention to the details of this meeting and to certain concerns that have arisen in the legislative arena in Buenos Aires Province, in order to more accurately ascertain the scope of the analyses and plans that are in the works in the Foreign Ministry at the moment.

Request for Reports Goes Unanswered

A bill submitted by provincial Deputy Narciso Vazquez summoning the foreign minister to report on the possible immigration of no fewer than 1,000 Cubans has been languishing in the appropriate committee of the Buenos Aires provincial legislature since the beginning of the final quarter of last year.

The bill proposes that the provincial Executive Branch ask the Argentine Foreign Ministry to report the details of the negotiations and accords undertaken with Cuba for the entry and residence of 1,000 Cuban citizens. So far the request for information has not even been taken up by the provincial legislature for extremely diverse reasons, some of them suspicious to many observers, as we shall now see.

The issues raised by provincial Deputy Vazquez summarize the concerns that are emerging in various political quarters, and a mere list of them is eloquent in itself:

"1. At what stage are the negotiations with the Cuban Foreign Ministry to enable 1,000 Cuban citizens to settle in our country?

"2. If these 1,000 Cuban citizens who will be residing in the country for a long time will be part of an exchange program, a) why hasn't the exchange program been publicized in our country?; b) what sort of work will they be doing in Cuba?; c) what are the requirements for taking part in this exchange?

"3. If it is really an exchange program, a) why are some of the 1,000 Cubans allegedly part of the personnel-expansion plans of the Cuban Embassy in our country?; b) will some of the Argentine citizens who would go to Cuba work in our embassy there?

"4. Under the regulations of this exchange program, a) what assurances would our Foreign Ministry have about the Cuban citizens?; b) what has been learned about the skills of the 1,000 Cubans who would settle here in the field of penetration, destabilization and combat?

"5. In accordance with what the two countries have agreed on, a) when would, or did, the first contingent of Cubans enter our country?; b) when would the first group of Argentines arrive in Cuba?"

Issues for a Meeting?

The meeting at the Argentine Foreign Ministry seems to have had substantially more recent information than Deputy Vazquez had at the outset of the last quarter of 1988. It is no surprise that the ministry's secretary of Latin American affairs, Mr Alberto Ferrari Etcheverry was at the meeting; he belonged there, for reasons of administrative and political areas of responsibility. Moreover, though, he was directly involved in Mr Claraso de la Vega's decision to prevent farm workers who did not have the permission of the Cuban Government from entering, according to records in the court case being heard against Minister Caputo.

The meeting reportedly revolved around this court case, plus the publicity that the 1,000 Cubans whom Fidel Castro was sending to Argentina were beginning to get, and Deputy Vazquez' bill seems to give us an idea of the political fallout from this publicity.

The strongest near-term fear seems to have arisen over the charges that the farm enterprise has filed against the foreign relations minister. The ministry and its judicial counsel seem to be convinced that "lifting the veil of silence just a bit from the issue of the Cubans' arrival will simply ease the judicial concerns on the one hand and, on the other, make the enterprise's charge itself somewhat inconsistent and lacking in substance."

The last section of the observations, perhaps suggested by some official before the meeting, was designed to show that "if there are already some 300 Cuban farm workers in Argentina, although this has not been publicized, needless to say the enterprise's having taken offense at the lack of consular or diplomatic authorization for 15 or 16 to come would, at the very least, become something abstract as far as its legal suit is concerned." Silencing the complaint by allowing the arrival of the 300 to be publicized would have enabled them to argue something different about the 15 or 16 who were not allowed in by suggesting that they had been chosen inappropriately or something of the sort.

Is it true that the main issue at the meeting was to look into the jobs that have been given to the 300 or so Cubans who have arrived in the country, presumably in various spots around the province of Salta, some bordering on Bolivia and Chile, and some 50 of whom reportedly did not even stop over in Cuba but came straight from various spots in Angola?

Is it true that during this meeting consideration was given to the political effects of such a revelation to the justice system on the minister's course of action, even though legal liabilities would not be involved because a specific figure was not mentioned, in the sense that he is imposing restrictions on the entry of Cubans? Nevertheless, this is not what is being objected to in the pertinent legal proceedings, inasmuch as the issues are the indirect civil injuries and the individual rights of Cubans that the Argentine Government has curtailed by subjecting them to an inhuman law.

Implementations and Emergencies

It is obvious, however, that although these issues could have been taken up and although the accuracy of this account cannot be confirmed or denied unless the Foreign Ministry reports officially on the matter and confirms or denies it with the minutes of the deliberations on the subject (otherwise, it would be neither reliable nor credible, given its track record of "confidentiality" about relations with the Eastern Bloc and authoritarian regimes), it must also be stated that because the meeting was requested by Ambassador Claraso de la Vega, it could have dealt with other significant matters.

According to various accounts originating in the Foreign Ministry, the ambassador conveyed to Argentine authorities the Cuban Government's desire to increase the quota of probable immigrants. At the same time, however, there must have been some sort of ambiguity in the diplomatic handling of the matter, precisely because of the demands made by Deputy Vazquez.

Political and Peronist circles are saying that the request for reports has not been handled appropriately in the provincial legislature because Governor Cafiero is not interested in clashing under current circumstances with Minister Caputo, a likely link in what is informally called "Calfonfierismo." Moreover, though, according to Peronist sources, the Alfonsin legislators have consulted with party authorities in the district, who are reported to have formally expressed their willingness to "halt any attempt to investigate the matter."

The Argentine Embassy in Havana presumably picked up these and other political tremors, which the Cuban tyranny could not have failed to keenly perceive. The trip that several Peronist deputies took to Cuba during the last quarter of the year; the trip by other Peronists in university posts; and the trip by more than a few Alfonsin men holding indistinct political and "cultural" posts, all of whom presumably addressed the issue in some way, have evidenced the concerns that are emerging about this matter. It bears mentioning, according to the same sources, that these concerns have to do with fears about the "slow" application of the program or about the fact that the program has been leaked through various media, consequently demanding some restraint and prudence.

For these reasons, the Cuban dictatorship itself is said to have called for the urgent implementation of the immigration program so that the agreed upon operation can be brought to a close.

Destinations and Methods

In an interview late last November with a small group of Argentines (Argentines of "good will" who are always willing to believe the good intentions of Castro-style authoritarian regimes or whom Lenin called, without any remorse, "useful idiots" or "fellow travelers"), Fidel Castro reportedly remarked that the contingent of 1,000 Cubans being sent to Argentina would be "only the vanguard of a much greater number, who will assure Latin American integration, inasmuch as you have immigrants from all over the world but not Cubans. President Alfonsin himself told me this, and I remember it from when I was there several years ago. Why should this be the case and why shouldn't we help form a broader, wider native melting pot?" This presumably enchanted several ladies of "good will" who were present, and when they returned to Argentina they reportedly repeated these remarks by the island's tyrant in an inopportune, imprudent fashion until a high-level official from the Cuban Embassy had to caution them about "the danger and risk involved in going around repeating what Comrade Fidel told you in private about all of these issues, when there are so many painted faces on the loose with their ears open."

The fact is that during this talk Castro reportedly added that it suits Cuba "fine to send to a friendly country like Argentina a few Cubans who are experts in certain jobs and who are needed over there and who for the time being we have a surplus of here." As any sensible person can see, he was using surplus manpower as an explanation, without specifying what type of "manpower" he was talking about.

During the meeting, President Ortega—who was accompanied by Foreign Minister Father Miguel D'Escoto, Vice Foreign Minister Victor Hugo Tinoco, and other government officials—gave Dr Bruni Celli a copy of the Nicaraguan Government's proposal presented to the Central American presidents at the summit in El Salvador for verifying and following up the Esquipulas political pledges.

Upon presenting the document, Commander Ortega told the CIDH president that Nicaragua believes that respect for human rights represents a basic issue that guarantees the Central American citizens' other rights and, consequently, the CIDH must play a leading role in the region's peace process.

Dr Bruni Celli stated his hope that the pledges assumed by the five Central American presidents in El Salvador will lead to a democratization process, free elections, peace, and freedom throughout the region.

Referring to Nicaragua's implementation of the Esquipulas agreements, Bruni Celli said: "These are steps toward liberty and peace. These are very firm steps toward respect for and defense of human rights."

Workers Council Rejects Talks With Ortega

PA0403195589 Managua Radio Noticias in Spanish 1130 GMT 3 Mar 89

[Communique issued by the Permanent Workers Council in Managua; no date given—read by Roberto Moreno, secretary general of the Central Organization of Trade Union Action and Unity]

[Text] The Permanent Workers Council urges opposition political parties to stop the bilateral meetings with President Ortega, because he is trying to weaken opposition unity and delay the implementation of the Esquipulas II agreements. Ortega will have an excuse for not announcing a national dialogue as long as the bilateral talks continue, and he will continue his unpopular and antidemocratic policies.

Political parties that justify bilateral dialogue must reflect deeply and set aside their personal interests. We must all force the Sandinist government to announce a national dialogue once and for all. Whoever fails to join the effort will share—with the Sandinist government—the responsibility for extending the crisis, hunger, and poverty that afflicts all the people.

It is certain that some people will stick to their decision to negotiate with the Sandinists in exchange for cushy jobs—or even to become members of the Supreme Electoral Council, because the Sandinists are trying to perpetrate another electoral fraud that will guarantee their remaining in control, supported by groups of collaborators.

The people strongly support a democracy and will be able to distinguish the parties that act with patriotism and firmness. They will support these parties' struggle for peace, liberty, and democracy.

Ortega Called 'Worst Agitator' of Violence

PA0703152589 Managua LA PRENSA in Spanish 3 Mar 89 pp 1, 12

[Editorial: "The Worst Agitator"]

[Text] Although he used his usual threatening tone, Nicaraguan President Daniel Ortega showed a hint of serious personal doubts during his 1 March speech to a youth assembly, when he referred to this week's incidents in Venezuela.

Once again, the president was on the wrong track and ignored the most elementary logic. He warned Nicaragua's agitators that "they will drown in the same waves they make."

In fact there are no agitators, and no one has called for violence. What has been heard for some months now is really an appeal for order and for the Sandinists to allow the democratic process to develop peacefully in the country. The Sandinists continue to resist the process the people are demanding. The only agitators here, if there are any, are the Sandinists, because the people usually rebel when their leaders have worn out the people's patience by denying them their rights.

Ortega's reasoning is also wrong. Ortega said: "If the people become disenchanted with the revolution, they will loot and destroy the properties of the right-wingers." The logic of that reasoning should be the other way around: If the people become disenchanted with the revolution, they would naturally protest against the revolution and demand the revolution change its course.

Besides, Ortega talks as if he overlooked or did not remember that in Nicaragua, the only one with wealth and properties is the state he presides over. This is because the disastrous policy the Sandinists have implemented has done away with any kind of company other than the state enterprises. The state, therefore, is the one running a risk.

One has to take a quick look at Ortega's demagogic tirades against the Yankees. The situation in Venezuela is different, and only a person born yesterday is not aware of it. Romulo Betancourt, a democrat who spurned communism when he learned its true nature, challenged the major oil companies in the 1950's and demanded they give Venezuela 60 percent of their profits. That way, Venezuela took control over its resources. Betancourt proved there was no need to put chains and shackles on a nation, as Fidel Castro did, to defend a country's natural wealth. And he did so when Fidel was still a student agitator without any following at Havana University. Venezuela is now the victim of the collapse

of the 1970's oil boom, which saw the price of a barrel drop from $37 to $12. No one-product economy can withstand that sort of recession, which has even impoverished Texas, without social upheaval.

Nicaragua is an altogether different matter. First, the Sandinists wanted to lead the country, which was barely trying to begin its development, toward a Cuban-style communist society. They realized midway through their scheme that it was not possible. Refusing to accept this truth, they went ahead with that unfortunate plan, causing Nicaragua to endure many times over all the evils of capitalism together with all the evils of communism.

It is noteworthy that a frightened Ortega criticizes "the right-wing agitators" who are nowhere in sight. That is because he feels agitation is to demand rights that belong to citizens. What Ortega calls subversion is to refuse to go along with the Somoza-style election game the Sandinists are now playing. One does not know how he reached the conclusion that if there is agitation in Nicaragua, the people will first attack the properties of the "right-wingers."

Ortega is hinting that he will violently suppress any outbreak of mass protests, something that would turn him into troublemaker number one and the instigator of even worse situations. He is not talking about conciliation but about aggravating a hypothetical protest.

In any case, the Sandinists are the ones now held personally accountable for the rise in violence. It is the Sandinists who have politicized the simple routine of daily meals by rationing rice and beans to exert political control. It is the Sandinists who violently chased down young men to force them to die in war. In other words, it is the Sandinists who stir things up by denying Nicaraguans their right to democracy, although the Sandinists signed a pledge to support a democratic process.

President Daniel Ortega is crying wolf, although there is no hidden danger. Nicaraguans neither want violence nor incite it, expect it, or welcome it. They do want a peaceful change precisely to avoid the possibility of violence. The problem is that President Ortega interprets that just demand as an incitement to agitation. That turns him into the worst agitator.

Ortega Message Notes 'Journalists Day'

PA0303195989 Managua BARRICADA in Spanish 1 Mar 89 p 5

[Message from President Daniel Ortega to Nicaraguan journalists on the occassion of Journalists Day; issued in Managua on 1 March]

[Text] Comrade journalists:

On National Journalists Day, which is commemorated today, 1 March, it is only fair to greet Nicaragua's journalists in recognition of their devotion to work, their efforts to achieve technical and professional excellence, and their achievements in the communications field, through which they have served the working people during these 10 years of the Sandinist people's revolution.

The government greets you warmly, with the certainty that the progress we have made will not be reversed and that we will continue building our nation's defense, peace, and social and economic development.
Your brother,
Daniel Ortega Saavedra

Panama

Duque Pledges To 'Normalize' U.S. Relations

PA0703143689 Panama City ACAN in Spanish 1323 GMT 7 Mar 89

[Text] Panama City, 7 Mar (ACAN-EFE)—The presidential candidate of the National Liberation Coalition (COLINA), Carlos Duque, has said that if he wins the 7 May elections he will normalize relations with the United States. Duque described himself as a "good personal friend" of General Manuel Antonio Noriega.

ACAN-EFE interviewed the 59-year-old businessman, who is also the president of the Democratic Revolutionary Party (PRD). During the interview Duque said: "We want to negotiate and establish normal relations" with the United States, a country he described as "a friend and partner."

The United States and Panama have been in a confrontation since June 1987. Relations between the two countries have been at their lowest level in decades since Washington decided not to recognize the current Panamanian president, Manuel Solis Palma, and imposed severe economic sanctions on the country.

Duque noted, however, that "as long as Washington continues to recognize Eric Arturo Delvalle"—the former Panamanian president who was deposed 1 year ago when he tried to dismiss Noriega—"there will not be conditions for negotiations." Duque said: "We will be open to direct talks (with the United States) within a framework of mutual respect and without intermediaries."

According to Duque, right now the United States is being governed by "very capable men of great vision." COLINA's candidate trusts that (the Reagan administration's) "intransigency" will be pushed aside by "goodwill" in view of the fact that Panama "is not an enemy of the U.S. Government or people."

Duque said he is "very proud" of his friendship with Noriega, who has been the Panamanian regime's strongman since 1983, and of his close relations with the Panama Defense Forces [FDP]. The presidential candidate noted: "One can govern without the FDP, but not against the FDP."

Duque described U.S. charges that Noriega is involved in drug trafficking as "unjust, slanderous, and unfounded." He added: "Noriega is not facing any charges in Panama." Duque described Washington's request that Noriega step down as FDP commander as "meddling in an institution."

Duque told ACAN-EFE that he cannot understand why the opposition "has to sit down at a negotiating table to demand Gen Noriega's ouster." Duque stressed: "We will not be forced into forming a national reconciliation government." He said that to have an effective national reconstruction, the incorporation of all Panamanian groups (including the opposition) "is essential." With regard to the continuous problems between Panama and the U.S. Southern Command, Duque said: "I know very little about that." He added, however, that the U.S. military "must abide" by the 1977 Torrijos-Carter canal treaties.

Duque said he is optimistic about his economic recovery program, which includes improved agrarian policies and incentives for foreign investors, particularly Japan, the ROK, the FRG, and the United States.

Regarding his foreign policy, Duque said he plans "to maintain relations with all countries," to improve whatever relations have deteriorated, and to maintain Panama's policy of "self-determination."

Duque also said: "COLINA is a guarantee of social peace in Panama." He noted that the alliance that nominated him has "solid popular backing." Duque said "the national liberation plan, sovereignty, and total independence" are at stake in the upcoming elections. Duque views the May elections as "a way out" of Panama's social and political stagnation, and he feels "the United States and the rest of the world will have to acknowledge that."

Although he believes the presence of international observers for the elections "is evidence of underdevelopment," Duque said he agrees with having observers at the elections.

PDC Policies, Venezuelan Violence Linked

PA0403005789 Panama City Televisora Nacional in Spanish 2300 GMT 2 Mar 89

["Alert to Citizens" program by Julio Ortega]

[Text] In yesterday's program, when we analyzed the tragedy the IMF has imposed on the Venezuelan people, we stressed that we would be given the same economic medicine by the opposition candidates if, by misfortune, they came to power.

It would seem we are receiving divine guidance to steer us toward the road for our people's peace. The best proof of this is the flyer the Christian Democratic Party [PDC] is handing out, outlining in 14 points the reasons why the Panamanian people should elect them on 7 May. Point 11 stands out. It says: Renegotiating the public debt. Here is proof we are not lying. Just as we said yesterday, today the PDC itself confirms that the economic medicine it prescribes is the same medicine Panama's friend Carlos Andres Perez has imposed on his people, at a cost which we all know about: There is talk of 500 dead, thousands of injured, great damage, ruin, grief, distress, frustration, and an uncertain future. Citizens, be alert: Just as the Venezuelan president said during his political campaign that he had the solution to the country's economic problems, the Panamanian opposition lies the same way. Their solution and medicine are the structural adjustments or renegotiation of the public debt and the IMF's now familiar letters of intent.

The PDC's solution to the economic problems is to follow the IMF guidelines and impose economic punishment on our people. Citizens, be alert: The PDC should not deceive you; they have already negotiated with the IMF to renegotiate the debt and then impose on you massive dismissals, increased taxes for basic goods, higher gasoline prices, and everything else that economically strangles the people.

All these measures have been rejected by the current Panamanian Government. Citizens, be alert: Do you want the medicine that today is destroying Venezuela? That is the medicine the PDC does not even hide from you. Let us look at ourselves in Venezuela's mirror and decide whether we want a government that will surrender to the IMF and U.S. hegemonic interests, or a government like the one we have now, which defends us from the empire and the IMF medicine.

Panamanians, Panama is at stake. On 7 May you will have to choose between an opposition that does not hide its intention of surrendering to the IMF the peace in which you and your family live today. Panamanians, you will choose your own fate.

Government To Report U.S. Treaty 'Violations'

PA0303191189 Panama City LA REPUBLICA in Spanish 2 Mar 89 p 2

[Report by Reinaldo Labastide Cuadra]

[Text] Colonel Aquilino Sieiro, cochairman of the Combined Board, has said that a suit reporting violations of the Torrijos-Carter treaties by the U.S. Army in military areas of coordination is being prepared and will be given to the Inter-American Human Rights Commission that is visiting Panama.

Col Sieiro said military areas of coordination "must be devoid of explosive devices, but they have been left scattered everywhere."

Sieiro added: "We even suspect that more explosives have been left somewhere because the U.S. Armed Forces are trying to demonstrate, at all cost, that we have been attacking them. But only lowly Panamanian citizens have been in those places."

Sieiro pointed out that the site of the incident is not a restricted, but shared, area. "They must even report to the Joint Commission and the Combined Board when they intend to carry out military exercises in those areas," Sieiro added.

A young man, Agustin Cruz, was killed by shrapnel from an explosive device 2 days ago while collecting empty cans and scrap metal in Nuevo Emperador. His companions, Didimo Sanchez and Saturnino Martinez, were badly injured.

Reconsideration of Media Requirements Planned
PA0203162689 Panama City MEDIODIA in Spanish 1 Mar 89 p 2

[Text] Ramon Castellanos, secretary general of the Journalists Union of Panama, has told MEDIODIA that the decision to impose a fee on foreign correspondents and have Panamanian consulates confirm the existence of the media that they represent was not an attempt to impose on foreign correspondents; it is simply a matter of enforcing an existing regulation. He added, however, that the measure will be reconsidered.

Castellanos said what is least desired is that this should be interpreted as trying to prevent foreign journalists from having access to the upcoming elections. He added that the real intention is to guarantee that a correspondent represents an actual media outlet, and this can be verified by presenting a copy of the media or by having the Panamanian consul in the country confirm that the media exists.

Columnist Reviews U.S. School Bus Incident
PA0703131189 Panama City LA REPUBLICA in Spanish 6 Mar 89 p 4

["Lancer" column by "Mustafa": "The Gringos Are Mistaken Once Again"]

[Text] Some U.S. Army officers stationed in the canal area still believe that we are a U.S. colony and that we are a bunch of ignorant people they can ridicule, and they believe that they can violate our laws. Once again it has been demonstrated that those gringos are mistaken about us. Proof of this was last Friday's incident involving members of the Panama Defense Forces [FDP] National Directorate of Land Traffic and Transportation, under the command of Major Luis A. Cordoba.

The deadline for obtaining license plates has expired. Therefore anyone driving a car without one can be fined. However, those gringos who believe we Panamanians are stupid placed U.S. Navy license plates on school buses, thus violating the canal treaties and Panamanian laws. This prompted our authorities to put an end to that strategy. FDP Maj Luis Cordoba put the little U.S. major in his place, and they had to obey Cordoba's orders.

That reminds me of the introduction of the speech delivered last Wednesday by Legislative Assembly President Celso Gustavo Carrizo, who said: "Exactly 1 year ago, the U.S. Government tried to subjugate us by force. It was 1 year ago that National Bank funds were frozen, that U.S. companies were banned from paying taxes to Panama, that our consulates were closed, and that our embassy in Washington was seized. It was 1 year ago that banks were forced to close for a long period of time. One year ago, the U.S. Government tried to cut our jugular. However, we did not take one step backward. [no end quotation marks as published]

We have managed to make progress. Here we are, defending our cause with more nationalism, dignity, and experience, with more faith in our future. Here we are, ready to face any threat to our national integrity. Here we are, as General Torrijos wanted us to be: "ALWAYS STANDING; NEVER ON OUR KNEES."

Last Friday's incident clearly shows that the United States is not willing to comply with the Torrijos-Carter treaties. However, our people will fight to make sure that the treaties are complied with and that, by the year 2000: They are sure to leave!

Statement by PCC Administrator Criticized
PA0303232689 Panama City Domestic Service in Spanish 1200 GMT 3 Mar 89

["Setting the Course" commentary read by Luis Danilo Caballero Arauz]

[Excerpts] Panama Canal Commission [PCC] administrator Dennis McAuliffe has spoken. At last he has spoken, but he has spoken to attack. In fact, in doing so he has reminded us of the pitiful work of the former Canal Zone governors, who opened their mouths as proconsuls to scold Panamanians.

In Mr McAuliffe's public statement, he said that the Panamanian Government has violated the Torrijos-Carter treaties by enforcing its sovereign right to demand strict compliance with specific tax regulations. The U.S. administrator's deceit is also accompanied by a great lie, by shamelessly saying that such tax regulations have been invented at this particular time to apply them selectively to PCC employees.

As is widely known, the requirement for a Finance Ministry tax clearance certificate must be complied with, without exception, by all owners of vehicles on our country's roads before 1989 license plates can be obtained. A communique from our Foreign Ministry explains this very clearly, replying to Mr McAuliffe's strong statement that because employees are not getting license plates, the work and operation of the Panama Canal will be adversely affected. If these employees have not been able to obtain their 1989 license plates, this is

from the metropolitan airport," it says) calls for an infrastructure that consists of a down-lead satellite dish antenna that is independent of ENTEL [National Telecommunications Enterprise] services, "which eliminates the possibility of the 'bugging' that is so common in Argentina, inasmuch as confidentiality is necessary for the sort of transactions to be conducted"; links to the ports of Buenos Aires, San Fernando, Colonia and Montevideo via hydrofoils (simultaneous creation of a modern port); an air link with the airports in Buenos Aires, Carrasco and Colonia (the landing strip on Martin Garcia Island will also be redesigned); domestic and international bidding to undertake these and other projects, and protecting the island's fauna and flora.

In order to make the plan viable, the document says, CIFA will be "completely isolated from the monetary, fiscal, tax and regulatory policies of the Economy Ministry and Central Bank." The CIFA authority will be an International Banking Committee (CBI), consisting of six members with renewable 6-year terms of office. The committee's function will be to authorize, suspend and close down the financial institutions that establish themselves there, besides setting the conditions for the operations of the offshore market. Its members will be selected from among the three-person lists that are submitted by the organizations that represent Argentine banks today, and a private personnel-selection consulting firm will be hired to rate each member of the CBI.

The Value of the 'Federal' and a Wide-Ranging Amnesty

The plan calls for three types of banks: those that recycle funds to and from Argentina, those that can conduct transactions without going through the country and those that can only engage in foreign-trade activities and promote trade to and from Argentina. The minimum fixed capital is $2.5 million, $1.5 million and $500,000, respectively, and these funds will be used to finance the infrastructure projects on the island.

The first category of banks, which are obviously visualized as the most desirable, will be required, in exchange, to earmark 20 percent of their loan capacity for the financing of private enterprises located more than 400 km from Greater Buenos Aires, with special consideration for regional and national development.

The quid pro quo of this demand will be a handful of advantages for whatever financial transactions are conducted. They will be exempt from all national or provincial taxes (specific or general) for nonresidents of Argentina; bank secrecy will be guaranteed by law, plus the option of keeping numbered or coded accounts; the financial institutions will set the minimum technical cash holdings that they deem appropriate, and interest rates will be totally decontrolled and in line with international levels.

A currency will be created for the transactions on this offshore market; it will have the characteristics of an account unit (without a physical representation) and will be called "Federal." It will have a fixed one-to-one exchange rate with the ECU (the basket of currencies of the European Economic Community). Any transaction may be conducted with this account unit, except financing the Argentine State. All of this means that transactions in australes will be prohibited. Moreover, a securities market will be created on which the paper of private domestic and international companies and the obligations of all of the world's governments can be traded. This will "enable Argentine companies to turn to a genuine, nonspeculative capital market and obtain long-term financing for their investment projects in stable currencies."

Another golden rule of the plan is to prohibit the establishment of any official, provincial or municipal bank that represents the state. There is one exception, however: the National Development Bank (BANADE). After the method of gauging the profitability of the private projects that it will finance is adjusted, this bank will be prevented from granting loans to national, provincial and municipal governments, public enterprises, etc.

But BANADE will have a crucial function. Given that a "funds amnesty" at a zero rate is envisaged, as was done in Italy, the bank's branch on Martin Garcia will regularize the capital and recycle it into the austral circuit via Buenos Aires through the uncontrolled foreign-exchange market ("this will cause the dollar to drop," the document concludes). Sixty percent of what BANADE takes in this way will be directed into the financing of private companies with investment projects that are located more than 400 km from the limits of Greater Buenos Aires.

The revenues of the CBI will consist of the franchises for the institutions, an annual fee for the use of the license (tentatively between $15,000 and $25,000), a single, minimum, token tax on the balances of term deposits, and the income from transactions. The use of these funds will be determined by law, with the following breakdown: 50 percent to defray the CBI's own operating expenses, 30 percent to be apportioned across the system of national and provincial hospitals and 20 percent to finance infrastructure projects in provinces and municipalities.

Those who are familiar with the plan started up their calculators, and estimates are that during the first year of operation the free-trade zone could take in $1 billion, $3 billion in the second year and $7 billion the third year, which is equivalent to 10 percent of the GDP [gross domestic product].

One issue remained to be resolved. According to the accord signed with Uruguay in 1974, Martin Garcia Island can be used only for tourism and the conservation of the fauna and flora. Nevertheless, the solution would

The explanations requested by Deputy Vazquez add important facts to the matter. If Argentina and Cuba have really signed an agreement, as he charged 3 months ago, how could it have come to pass so uneventfully without the involvement of the national legislature? And if the legislature was involved, how is it possible that no legislator from any party or faction has learned of the political substance that is more than implicit in this matter? Complacency and the fear of looking like "reactionaries" are perhaps motivating more than one little heart brimming with electoral hopes...and complacency. Or am I wrong?

Best To Make It Sound Incredible

One sure-fire way of disguising a piece of information and making it unbelievable is to exaggerate it to such an extreme that it prompts doubt or incredulity. What is impossible is, of course, really impossible; but if what is possible is blown up to huge dimensions, it becomes unbelievable because it just can not be. What is possible is what really looms as a threat.

Hence, an "indignant" Mrs Maria Teresa Reviriego has denounced "the rumor that I reported the imminent arrival of 25,000 Cubans straight from Angola." This is a way of creating incredulity in people, inasmuch as the report is not true, and when the real facts are made to seem unlikely and unverifiable, they will seem impossible, along with the distortions, to public opinion. It is hardly credible that Castro would send half of his Angola army to Argentina. Since this is not true and is unbelievable, the 300 Cubans who are in Salta can calmly keep on performing their mission; no one will bother them.

"At no time," asserted Mrs Reviriego," did I tell any of the mass media, as some agencies and media are claiming, that there would be 25,000 Cubans setting foot on Argentine shores. What I am in a position to assert is that there is an agreement between Argentina and Cuba and that this agreement entails the arrival of 1,000 Cubans, who when carefully selected by Cuban 'agitprop' are much more dangerous than some 25,000 who are supposedly coming to take advantage of different areas of tourism. We must analyze with serious misgivings what the reason for these capricious, irresponsible rumors is. And we must investigate seriously the reasons, which have not yet been explained, like many other things about relations with the Castro tyranny, why the Argentine Government is admitting 1,000 Cubans whom Fidel is sending and prohibited the entry of some 15 or 16 who did not have permission from the 'jackal of the Caribbean.'"

* Menem Approves Capital Repatriation Proposal

33480105a Buenos Aires SOMOS in Spanish
18 Jan 89 pp 44-45

[Report by Andres Alcaraz: "A Justicialist Bahamas"]

[Text] There are only five copies, every one numbered, and a safe-deposit box holds the diskette with the complete study. There is ample justification for all this secrecy in the eyes of Carlos Saul Menem and his team of economists: The plan to repatriate capital that has flown the country by creating an offshore bank on Martin Garcia Island is one of the pillars for financing the "productive revolution" that the Peronist candidate is proclaiming and, at the same time, it is a proposal that seeks to seduce the "establishment," which has misgivings about the economic program that Menem may pursue.

SOMOS has had an exclusive look at the plan, which was drafted by Julio Ramos early last year. To amplify on the plan he proposed Diego Estevez, a 35-year-old economist and business consultant who submitted the first version in June 1988, a banker with ties to Peronism confided to SOMOS. After other economists close to Menem criticized and reviewed it, the project was corrected in August and explained at a secret meeting during the first half of that same month to the top echelon of the Association of Argentine Banks (ADEBA), where it was reported to have been "warmly" accepted.

The "Proposal for the Implementation of an International (Offshore) Financial Center in Argentina" (which already has Menem's backing, Peronist sources told SOMOS) contends that "one of the fundamental causes of Argentina's stagnation in recent years has been the lack of capitalization of the Argentine economy as a result of erratic and inconsistent economic, inflation and regulatory policies which inadvertently encouraged a massive flight of capital overseas. Estimates are today that Argentine residents hold around $30 billion in liquid financial assets overseas and somewhat more than $5 billion in bills in bank safe-deposit boxes in the country."

After indicating that to resume "sustained growth" the economy must be stabilized, the return of departed capital encouraged and the "pockets" of the informal economy reincorporated, the proposal asserts that "reestablishing conditions for the return of Argentine capital that is overseas today and, concurrently, encouraging foreign capital investment" is a "necessary but inadequate" measure. "A sound, credible and consistent overall economic policy must also be designed," it adds.

It concludes that the offshore banking project requires a period of "at least" 30 years to assure its legal continuity, through a set of laws passed by Congress with the broadest consensus possible. From a political standpoint, the secret document notes that "if the plan for an offshore financial center were implemented by a free-market government and if there were then a Justicialist election victory, the expectation would be that we would backtrack in this field. Nevertheless, since this is a program begun and pursued by a Peronist government, its continuity is assured because no free-market or conservative government is going to discourage the existence of an international financial center."

The plan to establish the Argentine International Financial Center (CIFA), which it is suggested be located on Martin Garcia Island ("A flight of a bit under 20 minutes

are seeing as we approach the elections," he stressed, "is that the right is splitting and the left has managed for the first time to achieve a political unity it never had in the past. I therefore believe that we are legitimately authorized to maintain that while the right is splitting more and more in the elections, the left is uniting and making serious efforts to express that unity in the area of the people's demands."

Decisive Factor

Regarding the role the United Left could play in Parliament if none of the political parties should achieve an absolute majority of votes in order to come to power directly, Aranibar was emphatic in maintaining that "we are participating in the elections for the purpose of vying for first or second place. However, we believe at the same time that the presence of the United States will be a factor that no one can ignore in the course of political decisions."

He emphasized that if the IU achieves its purpose, then the only thing it will be doing is to ready an instrument to become the great alternative which the Bolivian people are seeking. "I would say that not only the workers' movement, but the people's movement as a whole, has a natural reticence regarding a democracy which to date has not only not resolved the great national problems, but has also rendered them more acute."

Finally, the United Left candidate noted that the Bolivian people are profoundly democratic in their traditions and behavior. "That is why the elections of 1989 and the fights of the people will be marked by this desire of the Bolivian people to see that the political democracy becomes a full democracy," he concluded.

* Argentine Daily Interviews Max Fernandez

33480097a Cochabamba LOS TIEMPOS (Special Insert) in Spanish 8 Jan 89

[Interview with Max Fernandez, president of Bolivian National Brewery; date and place not given]

[Text] Max Fernandez is undoubtedly the most noteworthy sociological success of Bolivia of the past decade. His arrival on the country's public scene from the Altiplano has traditional politicians of his country in an uproar. However, the phenomenon took place in another sphere, when this formidable giant and native of Cochabamba revolutionized the world of business upon assuming the presidency of the country's largest private enterprise, the Bolivian National Brewery (CBN).

Coming from the poorest barrios of his native city, he has known poverty since childhood. "That is perhaps why," "Don Max" explains, "when I was lucky enough to make a fortune, I was able to work with the sectors that needed help. I have always been concerned about the needy, the poor, the farmers and miners. The trade unionists are my friends," he points out.

His dialogue with the ECC [EL CRONISTA COMERCIAL] went as follows:

[LOS TIEMPOS] What happened to make you decide to take the step from businessman to politician?

[Fernandez] I do not need to make any more money, but I do know how. That is why I feel I have the ability needed to handle the destiny of my country and make the people rich through work. I want to put an end to corruption and thus change my country's image.

[LOS TIEMPOS] In a way, Bolivia's image was changed when inflation was so drastically checked. Is that not so?

[Fernandez] The MNR [Nationalist Revolutionary Movement] thinks that it achieved a great victory by halting inflation. Inflation cannot be stopped by starving the Bolivian people, nor can one think that inflation can be checked by going into debt. Every day we receive more credits in dollars that only help us to stay afloat. Actually, we are supporting ourselves on the money of others, but how long can this go on?

[LOS TIEMPOS] How long can it?

[Fernandez] Look, the MNR, the Nationalist Revolutionary Movement, surrounded itself with technocrats in government. They thought they could lower inflation by making the people go hungry. In the next elections, those people will use the "punishment vote" on them. Technocrats cannot generate the country's economic recovery because their "bosses" do not believe in Bolivia's future.

[LOS TIEMPOS] Do you want to be president?

[Fernandez] Naturally. I will be the next president of all Bolivians.

[LOS TIEMPOS] And where will you get the capital to develop Bolivia?

[Fernandez] Look, first I will explain why my election adversaries will not be able to get a single dollar to bring about Bolivia's rehabilitation. The international organizations do not loan us capital for our economic recovery because they have realized that their current interlocutors, joined together in the Pact for Democracy (the ADN [Nationalist Democratic Action] and the MNR), do not believe in the country because they do not invest their own money in it and do nothing but manage the crisis.

[LOS TIEMPOS] How is one to understand this?

[Fernandez] The traditional businessmen develop Bolivia's resources, but the profits go into secret, numbered accounts in other countries. I represent the national business sector, which does believe in Bolivia and which is willing to sacrifice its capital to bring about the country's recovery.

[LOS TIEMPOS] What is needed to bring about the economic recovery?

[Fernandez] Capital.

[LOS TIEMPOS] But other parties also have powerful manufacturers or merchants among their members. Is that not so?

[Fernandez] I have no doubt at all that many of the leaders of the MNR and the ADN personally have enough money to bring about the country's economic recovery. They made that money in Bolivia, but they took it out of the country and are obviously not willing to bring it back.

[LOS TIEMPOS] Why not?

[Fernandez] They say that investing in Bolivia today is a high-risk undertaking.

[LOS TIEMPOS] And why do you want to invest in Bolivia?

[Fernandez] Because we national businessmen are patriots and we do not measure the risk when the country and the people's work are at stake.

[LOS TIEMPOS] What about the MIR [Movement of the Revolutionary Left]?

[Fernandez] The MIR is a party that joined the International Social Democracy, and that organization hands out solidarity but no money. The current example is Peru: Alan Garcia joined the same "international" as Jaime Paz Zamora. Today the Peruvian president is facing the worst economic crisis in the history of that brother country, but the international organizations he joined are not helping him out with a single penny. The example of Garcia's Peru helps us to understand what would happen to Paz Zamora. No one would help him either. We would probably go back to the days of hyperinflation, when Paz Zamora was vice president of the leftist government of the UDP [Popular Democratic Union].

[LOS TIEMPOS] Under what conditions will national businessmen invest or risk their capital in Bolivia?

[Fernandez] National businessmen are willing to invest whatever capital is necessary to bring about Bolivia's economic recovery, but we are not going to allow professional politicians to handle the government. That is why I have taken over the leadership of a new political party, the National Civic Union.

[LOS TIEMPOS] Will the technocrats be removed?

[Fernandez] Those gentlemen will be two steps behind us, figuring out on their computers what we have built with our determination, our intelligence and our capital. We have already learned that in the daily work of our private enterprises, based on the principle that "the owner's eye fattens the calf."

[LOS TIEMPOS] What is the National Civic Union promising the people?

[Fernandez] To put an end to unemployment and starvation wages.

[LOS TIEMPOS] Do you not believe in the contribution of foreign capital?

[Fernandez] Quite the contrary. As you will see, we are going to invest our own capital in the task of rebuilding the country. Do you know what will happen next? The foreign capital that now views us with distrust will begin to flow into Bolivia when they realize that we believe in Bolivia and are investing in the country. They do not loan to the technocrats because they know it is very easy to be bold and shrewd using someone else's money.

[LOS TIEMPOS] What is the political definition of the national business sector?

[Fernandez] We are nationalists because we believe in Bolivia. We propose social justice because we love the people, but economically speaking, if we want to have a sovereign country, we cannot wait for foreign capital to save us.

[LOS TIEMPOS] More than innovative, your proposal is revolutionary. It is the first time a political organization has suggested bringing about the economic development of a country using its own capital, but what do you want in exchange?

[Fernandez] In order to carry out our proposal, we want to manage the government, we want to be the government, because we know how to get production and how to administer Bolivia's resources honestly and reinvest its wealth in the country. The people have known this for a long time, but they could not vote for us in the elections because we had no political party. Now that we have the National Civic Union, the people will vote for us and we will win the elections.

[LOS TIEMPOS] When does the political campaign begin?

[Fernandez] Practically speaking, it has already begun. One of these days, I am going to visit my brothers in the most remote little town in the mountains or jungle. They will tell me their troubles and without a doubt, long before I become president, many of the people's problems will already have been solved.

[LOS TIEMPOS] But tell me: Do you think the people will believe you?

[Fernandez] The people of my country are not going to elect the men who promise to manage their poverty. They will vote for Max Fernandez because I offer them work for adults, happiness for children and a dignified old age for the elderly. I will soon go to Rome to visit Pope John Paul II. I will tell him that Bolivia's abandoned children will come under my protection. Under my government, there will be education, clothing and food for everyone. I will tell him that the sick will not lack medicine or medical care. I will swear to the pope that no one will be without dignified work, that I am going to protect the Bolivian family and that in addition, I will increase the universities' budgets so they may improve their academic level and our children can study at home, no longer forced to emigrate, thereby uprooting our youth.

* Gas Reserves To Meet Domestic Demand, Sales

33480097c La Paz PRESENCIA in Spanish 30 Dec 88 pp 1, 8

[Text] The country's existing natural gas reserves are enough to meet domestic demand for the next 30 years, as well as sales commitments to Brazil and Argentina.

This report was released by Minister of Energy Fernando Illanes, who added that the reserves now total an estimated 5.47 trillion cubic feet (a trillion is a figure followed by 18 zeros [as published]).

He explained that if, over the next 30 years, Bolivia records an average economic growth of 7 percent, it will require 210 million cubic feet a day, meaning a consumption of 1 trillon cubic feet by the year 2010.

Meeting current gas sales commitments to Argentina until 1992, approximately 200 million cubic feet a day, will represent total sales of 0.3 trillion cubic feet.

Illanes said that the volume of gas to be sold to Brazil for its consumption has not yet been defined, but there is a commitment to purchase 3.6 million cubic meters a day (approximately 127 million cubic feet) for the production of 100,000 tons of polyethylene, 300,000 tons of urea and 500 megawatts of electric power.

If that amount of natural gas is sold to Brazil, 300 million cubic feet a day, some 2 trillion cubic feet would go to that country in 25 years.

Considering national demand for the next 30 years and requirements for meeting possible commitments to Brazil for 25 years and those now existing to Venezuela, one would have a consumption of something over 3 trillion cubic feet of gas, leaving 2.2 trillion cubic feet available.

The energy minister said that if a new agreement is reached with Argentina to continue to sell gas for another 25 years in quantities similar to those at present, our total reserves would be used up with the remaining 2.2 trillion cubic feet.

With this last hypothesis, "we would be down to 0 reserves," if one presumes that such reserves do not increase in the years ahead, Illanes said.

He then recalled that just under 20 years ago, our reserves did not exceed 2.6 trillion cubic meters, of which 1.7 trillion were sold to Argentina and reserves now total 5.47 trillion.

Finally, he said that he thought it advantageous that the country should have gas sales commitments to Brazil and Argentina in order not to depend on a single buyer.

* Medium-Scale Mining Exports Total $80 Million

33480097d La Paz HOY in Spanish 1 Jan 89 p 10

[Text] Medium-scale mining exported raw materials totaling $80.4 million, far exceeding marketing operations of COMIBOL [Mining Corporation of Bolivia], which sold only $22 million worth.

The statistical report was released by the Ministry of Mining and Metallurgy concerning export operations for the first 9 months of this fiscal year.

The report in question notes that exports of medium-scale mining amount to $80,477,555, far more than last year, when the sector totaled $26,485,924 between January and September 1987.

Zinc led all mineral exports of the medium-scale sector with $34,086,665, followed by silver with $14,046,885.

For gold marketing, medium-scale mining took in $10,857,390, while tin sales brought in $9,835,875, the Ministry of Mining and Metallurgy's statistical report added.

Antimony operations brought in $7,608,745, while lead totaled $2,165,214.

All of these operations correspond to marketing between January and September of this fiscal year, for which period official statistics are available, the Ministry of Mining report concludes.

Brazil

Guimaraes on PMDB Convention, Bush 'Meddling'

PY0704030489 Rio de Janeiro Rede Globo Television in Portuguese 2255 GMT 6 Mar 89

[Text] Speaking for the PMDB's historic slate, Deputy Ulysses Guimaraes called a news conference to pinpoint the PMDB's position on the political chessboard.

[Begin Guimaraes recording] I have traveled across this country surrounded by all those toothless and miserable people, people who leave their children on the ground because they do not have a house where they can leave

them. I have a vivid image of this situation of hunger and misery, a situation that must be overcome. This is the PMDB position. [end recording]

During the news conference, Deputy Ulysses Guimaraes announced that following the PMDB convention on the 12 March, the PMDB will have to decide whether it will nominate its own vice presidential candidate or whether it will reach agreement with another leading party on this point. He said that, in his opinion, the convention to nominate the presidential candidate should be held before 15 May so that the governors are not hurt.

In a meeting held this weekend, the governors of Sao Paulo, Rio de Janeiro, and Minas Gerais arrived at the conclusion that there are two choices within the PMDB for president of the Republic: Deputy Ulysses Guimaraes and Bahia Governor Waldir Pires.

This has just been confirmed over the telephone by [Minas Gerais] Governor Newton Cardoso, who explained that (?this is) a PMDB leftist choice. This also explains the call for a news conference by Deputy Ulysses Guimaraes to announce that in the presidential campaign the PMDB will have a leftist trend.

In the race for president of the Republic, the struggle for the party's banner is already under way.

During the news conference today, Deputy Ulysses Guimaraes described as undue and impertinent meddling an opinion by the U.S. President on the issue involving the road linking Acre State with the Pacific Ocean.

According to Guimaraes, the connection with the Pacific Ocean is one of the country's dreams and a commitment in the PMDB campaign.

Creditor Banks Disburse $600 Million

PY0803003889 Rio de Janeiro Rede Globo Television in Portuguese 2255 GMT 7 Mar 89

[Text] Brazil has overcome difficulties with the creditor banks and has achieved the release of a $600-million disbursement. This money does not depend on the World Bank's approval.

The $600 million disbursement, which was promised in September 1988, should have been made in January, but the creditor banks did not make the disbursement because of the impasse between Brazil and the World Bank.

The announcement of the release of the $600-million disbursement was made in New York by Brazilian foreign debt negotiator Sergio Amaral.

* Poll Shows Geographic Support for Candidates

33420032 Sao Paulo ISTOE SENHOR in Portuguese 4 Jan 89 pp 32-43

[Text] Leonel Brizola is advancing in the race for the Presidency, according to a national poll conducted exclusively for ISTOE SENHOR by the Gallup Institute. The poll consisted of a sample of 227 cities. Lula has jumped ahead from sixth to second place. Silvio Santos shows that he is holding the political ante. Another phenomenon in this poll answers to the name of PT [Workers Party]—now the most beloved party in Brazil. But only half the voters have a preferred candidate.

No Victory Song Yet for Poll Leader

Between August 1988 and now (the date of the latest Gallup poll, which is being published here by ISTOE SENHOR), Leonel Brizola, the leader in the presidential race, moved ahead by slightly more than 4 percentage points, although the percentage of those saying spontaneously that they would vote for the former governor of Rio de Janeiro is still small, having risen from 9.4 percent to 13.6 percent. The number of undecided voters has declined, but it is high: Practically half of Brazil's voters (47.1 percent) do not have a definite candidate in an election whose first round is scheduled to take place 10 months from now. As can be seen, some candidates (such as Brizola and Lula) are moving ahead, while others (such as Franco Montoro, Aureliano Chaves, and Alvaro Dias) are falling behind, but the presidential campaign is far from presenting a clear picture.

Foreseeing that situation, Gallup wound up turning its presidential poll into two polls. The first is the one recording the spontaneous responses of potential voters. Gallup asked 3,095 of them point-blank who their candidate for president of the Republic is. Brizola came in first, with Lula on his tail. Silvio Santos came in third with a score worse than the one he had received in August—when he was in second place with 8.2 percent, or very close to Brizola's 9.4 percent. There are no unusual variations in the case of the other names that were mentioned spontaneously. But there were declines for Orestes Quercia, Fernando Collor de Mello, and Antonio Ermirio de Moraes. In the turmoil of a campaign that is getting off to a bad start, former Governor Franco Montoro has dropped out of sight of his own accord and by the will of the voters, and former Minister Aureliano Chaves is in the process of doing the same.

The second Gallup poll is the one in which responses were suggested on cards. Gallup selected the names of 15 personalities, ranging from the well-known Brizola to the discreet General Leonidas Pires Goncalves, who might become involved in a presidential race in Brazil. It left out the names of those denying that they are candidates. A card listing those 15 names was presented to the interviewee, who was then asked: If the election were held today and these were the candidates, for which one

not the Panamanian Government's fault or responsibility. It is the fault and responsibility of the U.S. Government, which employs and gives direct orders to Dennis McAuliffe, who, no doubt, also has to comply with this Panamanian tax requirement if he wants to move about in Panama in a private vehicle.

It is the U.S. Government that is to blame because PCC employees have so far not been able to comply with obligations similar to those applicable to other Panamanian workers. We note with amusement that the PCC administrator—who knows firsthand and better than anyone about the constant and repeated U.S. violations of the canal treaties—is now coming forward to give self-serving opinions on Panama's legal and sovereign behavior in this matter. Mr McAuliffe's announcement to the effect that the PCC will come to the aid of employees affected by the Panamanian Government is a clear example of the hypocritical U.S. demagoguery, which comes to take pity on the victims of their own bombs.

The situation facing PCC employees, including hundreds of compatriots, is the direct result of the mistaken and disastrous U.S. policy toward our country. This aggressive U.S. policy, absurdly defined through the recognition of a self-styled government—the United States alone disputes the legitimacy of the constitutional government—is to blame for the negative effects on canal employees.

The efforts and sacrifices of these employees must be recognized; besides continuing to work so that the waterway functions normally, they have shared greatly in the current hardships of the Panamanian community. [passage omitted] The fuss is nothing more than just that, because he is not right, his statements are groundless, and it would have been better if he had kept his mouth shut. By opening his mouth as he has already done, he has ensured a disagreeable legacy from now on, as his predecessors had done, in the collective memory of the Panamanian people.

Canal Employees React to Tax Withholding

Protest Attachment Actions

PA0203145289 Panama City LA ESTRELLA DE PANAMA in Spanish 28 Feb 89 pp A-24, B-2

[Report by Camilo O. Baruco]

[Text] Reiterating their protests against the United States' refusal to remit their taxes to the Panamanian Treasury in violation of the canal treaties and against the Panamanian Government because of the actions it has taken against them, three organizations of Panama Canal employees have asked the national authorities to put a stop to these activities.

This appeal is contained in a "communique to the country" issued by the International Organization of Masters, Mates, and Pilots; the Panama City Metalworkers Council; and the Association of Canal Employees.

These employee representative groups have continuously asked the U.S. Government over the past several months to remit the employees' taxes to the Panamanian Treasury as provided for in the treaties or, failing this, that it give the employees the tax withholdings so they can comply with their tax obligations.

In view of the violation by the United States, the Finance and Treasury Ministry began attachment proceedings against movable and real estate properties of the canal employees, who have described this action as "unjust and illegal and in violation of the treaties."

"The organizations of canal employees once more urge the country's highest authorities to put a stop to these actions, which violate not only the Panama Canal treaties and Panama's Constitution and laws but human rights as well," the employees emphasize.

The organized workers contend that the attachment proceedings would be applicable only if the workers were jointly responsible for the failure to remit the moneys to the treasury, "which has not occurred in this case."

A very large number of canal employees are faced with the imminent dilemma of not being able to report to work beginning 1 March. They cannot get license plates because of the requirement to present a national tax clearance certificate to obtain them.

According to these unions, this situation, as well as the attachment proceedings begun by the Finance and Treasury Ministry, "would seem to be aimed at affecting the normal operation of the seaway."

"We are against any attempt to slow down, stop, or in any way impede the efficient operation of the canal, because we Panamanians have historically regarded our canal as an integral part of the Panamanian nation, and we in no way wish to blemish the image of our homeland," the employees stress.

The workers organizations claim that while actions are being taken against Panamanian employees of the canal, U.S. civilians and servicemen "have no problem driving their vehicles; they can enter and leave Panama as they please and get utility service," even though the U.S. Government has retained the sums stipulated by the treaty for these purposes. "Those responsible for these misguided actions against us preach a very peculiar brand of nationalism, to say the least," the canal workers organizations point out.

In addition, the organizations contend that even though these actions are aimed at "the employees who are better off," they are actually affecting all employees, who are

tense and distressed over the danger of losing their property. They add that, besides, "the problem with vehicle operation affects all Panamanian canal employees regardless of whether they are well off or not."

Picket PCC Building

PA0203165389 Panama City MATUTINO in Spanish 2 Mar 89 p 7

[Report by Rogelio Martiz]

[Text] Canal workers picketed outside the Panama Canal Commission [PCC] Administration Building yesterday to protest the absurd and arbitrary U.S. measure of withholding income taxes deducted from workers' wages and not paying them to the Panamanian treasury.

Trade union leader Rafael Severino, an employee at the Miraflores Locks, said that the work force is very indignant because, thanks to the U.S. Government's withholding of income tax, workers are unable to obtain tax clearance certificates needed for vehicle license plates and other things.

It is estimated that more than 12,000 Canal Zone employees have been affected by this outrageous measure adopted by the U.S. Government, a measure that is another way of putting economic pressure on our country.

The demonstrators peacefully carried banners saying that the withholding of taxes for political reasons violated labor obligations and were an affront to human rights.

Canal employees demanded equal treatment within the PCC in view of the preferential treatment given U.S. employees.

Letter to Noriega Criticizes Foreign Minister

PA0403212389

[Editorial Report] Panama City LA REPUBLICA DOMINICAL in Spanish on 26 February frontpages a letter to General Manuel Antonio Noriega, Panama Defense Forces commander, from Julio Aldrete, who is not further identified. The text of the letter reads:

"We need a foreign minister who can counter the anti-Panamanian campaign the United States is waging throughout Latin America. We have no use for a mute foreign minister or for diplomats who are waiting to see if Gen Noriega will fall. We need foreign ministers like Oyden Ortega or Aquilino Boyd."

Ortega and Boyd are former foreign ministers, and the latter is the progovernment National Liberation Coalition's candidate for second vice president.

National Bank To Cash Retirees' Checks

PA0403195289 Panama City LA ESTRELLA DE PANAMA in Spanish 4 Mar 89 p A-10

[Text] The National Association of Social Security Board Insured, Pensioned, and Retired Persons, ANA, has issued a communique notifying its retirees and pensioners that a meeting was held with National Bank General Manager Rafael Arosemena during which he announced that all pension and retirement checks will be cashed in full at all the National Bank branches in Panama, beginning with the first biweekly pay period in March.

Restrictions on Bank Deposits Reduced

PA0703185189 Panama City Domestic Service in Spanish 1755 GMT 7 Mar 89

[Text] The Banking Commission has announced that because the improvement of the country's political crisis contributes to banking stability, the compulsory extension of fixed-term deposits has been reduced from 6 months to 4 months.

The commission has issued a press communique noting that despite the continued and unexplainable U.S. Government sanctions against Panama, the banking system now is in a firmer and better position to increase deposits to the level of better days.

The Banking Commission announced it is now in the ninth phase of its recovery program. The commission reported that it is optimistic that fixed-term deposits will be attracted by high yields that in turn are permitted by the liberal banking laws.

Ministry Reports 'Alarming' AIDS Increase

PA0503140389 Panama City LA ESTRELLA DE PANAMA in Spanish 4 Mar 89 p A-4

[Summary] Health Ministry spokesmen recently informed LA ESTRELLA DE PANAMA of the alarming increase in the number of Acquired Immune Deficiency Syndrome [AIDS] cases in Panama within the last few months. According to statistics, the number of people with AIDS has reached 101, of which 59 have already died. The number of cases tripled in our country in 1988. According to the Health Ministry, 75 persons were infected with the disease through sexual contact, of whom 39 were homosexuals, 28 heterosexuals, and 8 bisexuals. Eleven persons were infected through blood transfusions, and one was infected before birth. Of the 101 cases, 80 were between the ages of 20 and 44; 15 were over 45; 3 were between 15 and 19; 1 was between 5 and 14; and 1 was younger than 4.

Argentina

Economic Officials Hold News Conference

PY0704202489 Buenos Aires Domestic Service in Spanish 2110 GMT 6 Mar 89

[News conference by Economy Minister Juan Vital Sourrouille, Finance Secretary Mario Brodersohn, Central Bank President Jose Luis Machinea, and Economic Coordination Secretary Adolfo Canitrot, in the While Hall of the Central Bank in Buenos Aires—live]

[Excerpts] [Sourrouille] Good evening. We are all aware of the current expectations regarding the national economy. As our president said yesterday, there are some healthy concerns, and some that are not so healthy. Without doubt, there is uncertainty about what is really happening to the Argentine economy.

The purpose of this news conference is to explain to you what we think is happening, how we view the future of the Argentine economy, and to answer your questions.

I think that we will first discuss what we are doing, where we started, and where we are heading. I would like to remind you that our government some time ago began a program of economic reforms. We have consistently tried to curb inflation.

Last August we began a new phase in our anti-inflationary policy, and it still continues. We are still engaged in this difficult task of consolidating control over inflation because this is the main objective of our program, and because we understand that it is the only means by which the national economy can grow faster than in the past.

We must avoid the renewed risk of inflation. This is the objective of the program we launched some time ago and which we continue today.

However, people seem to have forgotten some of our objectives. In February we implemented some corrective measures that have yielded favorable results from the point of view of inflation. Everyone knows that inflation has dropped over the past few months as compared with the same period last year. I want to state that we will continue with this policy.

The consumer price index, CPI, for February—the month during which we had some of the difficulties—remained in single figures. Today I can tell you that the CPI for February—detailed results of which I hope to release to the public today—increased by 9.6 percent compared with that of January. The wholesale price index shows an 8.3 percent increase as compared with January. [passage omitted]

The country also experienced some difficulties in February in the field of foreign financing. It is true that the World Bank has reported to the national government that some credit lines in connection with our policy have been suspended for the time being. It is also true—and pay attention to this—that today we can assert that the World Bank has approved loans for Argentine housing programs and municipal governments. These World Bank loans amount to $420 million which, together with the Argentine Government's matching funds, total about $800 million. Such loans are available for Argentina today. [passage omitted]

[Gay Marinos] Gay Marinos, of NOTICIAS ARGENTINAS: How would you interpret the comments made by President Alfonsin on the foreign debt. Is it an implicit statement on a moratorium, or is it a warning on an upcoming moratorium?

[Sourrouille] No, it should be interpreted exactly the way it is, a confirmation of the permanent policy on how our government looks at its creditors. I believe it is necessary to elaborate for a moment on this issue. We should recall the principles on which our policy has been established. We do not agree with the way our creditors see the foreign debt problem nowadays. I believe that everyone knows that the vision preferred by the creditors is that the debtor countries must take care of their specific commitments on principal and interest when they are due for payment. Our permanent policy has been to discuss that situation because we believe it is necessary to find a point of agreement between debtors and creditors. The point of agreement should have a basic element: economic growth should be a shared value. This has been our policy, and we adhere to this policy permanently.

From a very practical point of view this means that Argentina does not pay the payments due for principal because it was able to renegotiate them under a very interesting program that includes years of grace and a long term for their payment. Regarding interest, our position is that our country should not pay with its own resources all the interest on the due dates. This should be an operation in which the reciprocal obligations of creditors and debtors are fulfilled. In other words, we have paid but we continue to sustain the belief that we should not pay more than about one-half of the interest on the expiration date. That is, we require credits from our creditors in order to pay them. We have said this several times. This is what we have done in the past, and this is what the president reaffirmed once again yesterday.

This is a tense situation that stems from the fact that the foreign debt is not being treated politically, which would represent relief from the debt terms. This situation forces us to negotiate continually. We must therefore maintain a two-sided policy, maintaining normal relations with the world while at the same time restricting the transfer of our resources abroad. This, I reiterate, implies negotiating continually.

We have done this in the past, we continue doing it now, and we will continue in the future because we understand that as long as the debt negotiating conditions remain unchanged, we will fight for the principle that economic growth be promoted both by creditors and debtors.

[Rouco] Rouco of CLARIN newspaper. Mr Minister, when the economic plan was announced on 4 August, you said that the commercial dollar exchange rate would evolve along with prices. Today we find that the combined prices—which are the ones you used for making your macroeconomic calculations—have increased by 40 percent while the commercial dollar exchange rate has increased by 24 percent. How would you explain this difference?

[Sourrouille] I think that you did not understand our message very well in August. I will ask the Central Bank president to tell you more accurately our current data and our proposal today.

[Machinea] Well, I do not remember that we said that we would maintain the exchange rate level. The exchange rate then was very high as compared with any other period in history. Therefore, I think that your first statement is not correct.

Second, we must distinguish the different exchange rates: one for imports, another for agricultural exports, and a third for industrial exports. It is clear that the import exchange rate in January was similar to that of July, that is, before the plan was launched in August. By January the export exchange rate for agricultural and industrial exports was undervalued in relation to that of August. That is what we tried to correct with the measures we adopted in February. These measures established a free market exchange rate for agricultural and industrial exports, thus allowing exporters to recover a significant part of what they had lost since August through overvaluation. The export exchange rate is now at one of the highest levels in this country's history.

[Sourrouille] Let me add something. Our government has always tried to control the exchange rate to try to obtain certain results in our trade balance on account of our foreign debt situation. Our balance of payment estimate this year foresees that we will have an approximately $3.5-billion trade surplus. I think this is a good element with which to judge the government's capacity to regulate the exchange policy.

[Lipe] Alberto Lipe, of the CRONISTA COMERCIAL newspaper. Mr Minister, this year the government prepared the budget as scheduled and sent it in to Congress in time. The budget shows a certain fiscal imbalance. According to a recent World Bank report, our goals are not clear. What will be done to correct the fiscal deficit?

[Sourrouille] It will be corrected. We prepared the budget last year and sent it to Congress within the time established by the Constitution. However, in order to be more accurate, I will ask the finance secretary to answer your question.

[Brodersohn] First, I want to thank you for acknowledging that we complied with the constitutional duty of having the budget ready for September last year.

What is going on in the fiscal field in the country? I want to talk about this. In 1987 our deficit was about 7.4 percent of our gross domestic product, GDP. In 1988 we reduced that deficit by nearly half, through a drastic reduction of expenses. This year our budget estimated our fiscal deficit at 3.5 percent of the GDP. This number is still our goal, and we are working hard on it. However, there are some elements that are hindering us from attaining our goal.

One of those elements—which greatly worries me because it is regrettably affecting the Argentine economic situation—is the increase of the international interest rates.

This year the country will have to pay nearly $2 billion more in interest than last year. This is the result of a large increase in the international interest rates. The United States increased the international interest rates to help balance its own fiscal deficit, but by doing this it is also exporting to other countries its own fiscal deficit. As long as the United States maintains a large fiscal deficit, the international interest rates will increase, thus forcing debtor countries—which have large dollar debts—to pay more interest.

This does not mean that this year we did not estimate in our budget a deficit increase of nearly $900 million. However, it was a small estimate. We had an additional $900 million expense from the foreign debt interest rate increase and from public expenses. This has affected our 1989 budget by one billion more than what we originally estimated in our budget.

Of course this deficit will be financed through more foreign credits which will allow us to pay for this increase of the international interest rate.

Second comes the utility rate lag. The low utility rates are weakening the public companies' activities, thus not allowing us to meet our goals of having self-financing public companies. This year we began financing the salaries of the national railway company. We did so in January and February, and we will probably continue financing them for the rest of the year. It was originally planned that the railway company salaries would be paid by the public companies themselves.

We also had to take charge of the energy crisis, thus affecting the national treasury. These two elements represented an increase of expenses of nearly $550 million, at the expense of the national government.

For the time being we plan to cover these expenses by saving expenses in other fields. This means that the government's intention for the time being is to maintain the goals stated in the budget we sent to Congress, which calls for a 3.5-percent public deficit, not counting the Central Bank deficit.

Therefore, this is the deficit we calculated in our budget, and we are trying to keep to it. The expenses caused by the railway company and the energy crisis will be covered, if possible, by saving expenses in other fields of the public administration. [passage omitted]

[Eduardo Simone] Eduardo Simone, from LA NACION. I would like to ask the minister what the volumes of external payments in arrears are, and if these overdue payments will be made during this government's term in office, or if they will have to be made by the next government?

[Sourrouille] In the first place, I want to tell you that indeed Argentina has payments in arrears with the creditor banks at this time. The fundamental reason for this is that we in fact initiated negotiations last year regarding the way in which interest that accrued during the year should be financed. I insist on the idea, which has repeatedly been advanced by us, that the creditors will have to participate in the efforts that the debtors are effectively making. The way in which this situation will effectively be handled in the future is quite clear for us. It will depend on the cooperation and agreement we find in our creditors. However, as to a more precise description of the situation and its strategic handling, I will ask the Central Bank president to complete my answer.

[Machinea] Argentina has fallen behind in payments due to commercial banks in February for approximately $2.2 billion. We have paid interest on financial loans from 15 April 1988 on, with the exception of $170-175 million that was paid in the last quarter of 1988. What I want to emphasize is something the minister said: Whether the task falls on this or the next government, it is clear that the country cannot pay all the interest on its foreign debt. This is nothing new. It is not a matter of this government leaving something for the next government. This is the continuity of an economic policy we have followed for more than 5 years, and the new government will have to decide whether it will continue this policy or not. And the economic policy is based on the fact that the country does not have sufficient resources to meet the total payments of interest on its foreign debt because of the implications of transferring resources abroad. This is the government's policy, and if we do not obtain financing from the banks to pay that interest, we have to delay the interest payments. The policy in this regard is quite clear, and it does not represent a change of policy in view of the upcoming elections. It is true that the elections in some ways make it difficult to obtain this external financing, because some of the foreign creditors prefer to wait for the outcome of the elections to see what the next government thinks about the negotiation of the foreign debt.

[Sourrouille] Perhaps, to complete what you are saying, I should make it clear that our policy of relations with our creditors, regarding both the form in which we pay and the form in which some payments sometimes fall behind, is that the policy is continuously being discussed, and that it is based on some well-established values. Argentina is a country that has made a habit of fulfilling its international commitments, while insisting that they should be met under certain conditions—namely, that responsibilities must be shared. But what our creditors know quite well is that while the country does not make some of these payments it is quite reasonably defending its foreign reserves position. [passage omitted]

[Mr Canepa] Mr Canepa, from Argentina Televisora Color. Considering the economic reality that everybody in this country experiences daily, whether he is a worker or a businessman, do you believe, Mr Minister, that your economic policy, your economic administration, has been a success or a failure?

[Sourrouille] In the first place, I must tell you that I rule out failure. Certainly, neither I nor anyone else could manage the country's economy if he thought it was all a failure. I want to tell you that, in my view, I have had successes in the management of the economic policy in this country. I assert this based on some principles that we have helped to take root in the Argentine society. And do not think that I consider this a personal accomplishment, because it is an accomplishment of the government.

The idea of integration with the world, strengthening our economic relations abroad, and ending our isolation is the fundamental purpose of our economic policy, and it is a new idea in this country. This certainly was not the line that was followed in the past. In the second place, I could tell you that the idea of reforming the state, which is being vigorously discussed in the country, is an idea this government helped take root in society. Perhaps there are opposing viewpoints on this idea, but the majority of the people are convinced that the state must be reformed. This majority complains because we do not move faster. But I believe that regarding both the idea of integration with the world and the idea of reform of the state—as well as the idea of deregulation—our government sowed the seeds. An example of what I consider valuable in the discussion of deregulation is the way in which the employee-employer relationship is functioning as far as the determination of salaries and working conditions are concerned. This country can recall very few periods of its history in which for more than a year—and certainly with the prospect that it will continue—labor relations and salary levels in the private sector and a considerable segment of the public sector were established through free discussions between workers and employers. This greatly contributes to creating more flexibility for management of the economy.

I believe our government has also been successful in establishing the principles of equity and openness in the country's affairs. Why? Because today, fortunately, we abide by the old principle that those who administer public business should be accountable for what they do. Nobody is denied the right to review the government's accounts and the way in which they are administered. So the elimination of privileges that seriously affected the

conduct of economic policy and that generated obvious economic inequities is a substantial advance. I would therefore say that this government has managed to institute a set of fundamental principles, which certainly will be included in any progressive program, in any rational approach to the administration of the economic policy in the future. The discussion, the tension, and the dissatisfaction of many people with the government administration—not to mention my own administration—are related to the difficulties found in improving the personal and collective economic situation in accordance with our aspirations. In this regard, all I can do is stress some of the arguments I have presented before, arguments that, as the president noted last night, not everyone wants to accept, and that even those who accept them try to accomodate to their own judgment.

Argentina lives in a difficult, not to say dramatic or critical, economic situation. This period of the nation's life during which democracy is being rebuilt has developed in the most difficult economic circumstances, considering that the country at the beginning of our administration had a foreign debt of an unprecedented size. So these difficulties exist in fact, just as the difficulty created by mismanagement and lack of openness in the administration of the public business existed in the past. We have had to work against that trend, both the government and the Argentine society. We have had to continuously try to reassert principles of collective interest, recognizing that this task of reconstruction is very difficult. Of course this task is the government's responsibility, but it is also the responsibility of all Argentines, who more than once have supported the proposals made by the government. However, part of this task goes beyond our own capabilities. The management of the foreign debt is not only in our hands, and the international prices of our main export products are not in our hands—and this situation is unjust in both cases, to say the least. We have to reconstruct the nation's economy in unfavorable conditions like these.

So, our proposition is to maintain the course and to pursue the objectives we have set. Certainly, these objectives are much more important than considerations regarding the personality of Argentina's economy minister. Of course, what can be argued is the best way in which a task of coordination can be carried out so that successes can overshadow the difficulties. This is why we continually call for solidarity and cooperation from the various sectors of the nation. The crisis and the conflict are real, but the thing is to find rational and progressive ways to effectively manage them. This is our function, and this is what we are trying to do.

Our government has a very particular idea regarding a main concern of the economists, an idea that I would like to convey to our people. A concern about what is known as orthodoxy is constantly expressed here: balance the fiscal accounts, tighten the monetary policy, manage the exchange market along a given line, etcetera. We have said many times that this way of looking at the problems, of prescribing that type of remedy, does not seem appropriate for the situation in which the country finds itself. As economists, we believe it is not possible to operate on the basis of diktats to establish utility rates, salaries, fiscal policy, interest rates, or exchange rates. It is necessary to recognize what the rules of the economic game mean in reality. What we have always said is that what is called an orthodox policy is unviable in the context of democracy, unless it is implemented in conjunction with some heterodox principles, which our government has long introduced in the discussion of economic problems both at home and abroad. In other words, monetary, exchange rate, and fiscal policies are bound to fail if they are not combined with a policy of salaries and prices that protects the interests of a population whose people depend on their salaries and on price movements. I believe there are many examples in the past—and, unfortunately, today—that show the extreme danger of designing policies that disregard the people and the principle of equity in a policy of salaries and prices. Such a policy can bring about disturbances in which people are killed. This is what our government will never do, what it has never done. Our government has followed a rational and progressive policy that can be defended with integrity and pride, so that it will not exacerbate the social conflict beyond what the crisis by itself has already done. [passage omitted]

[Melgarejo] Melgarejo, of Channel 9: This is a question about the remarks made by President Alfonsin yesterday, on which you have already commented a couple times during this news conference. However, many people read in the newspapers this morning what the president said, that Argentina might stop paying interest if it did not receive some credits in exchange. I would like to ask, what would happen if this occurred, what would be the reaction of the creditors, and what would the consequences be? And talking about the consequences, and taking advantage of your kindness, I would like to hear your evaluation of recent events in Venezuela. I know you will probably say this is a good question for the foreign minister and the president, but I also believe it is a very good question for a high official like you in a country that has one of the three largest debts in Latin America.

[Sourrouille] Regarding the first question, on how Argentina manages its relations with its creditors, I sincerely believe there has been some exaggeration about the comments made by the president yesterday. What the president did was to reaffirm once again the permanent position of the Argentine Government regarding the handling of the foreign debt. I would like to give a different explanation than what I have given so far.

What is behind the debt that affects the Argentine people? The debt problem for the Argentine people is the availability and transfer of resources that the Argentine people produce.

Perhaps an example can clarify this. If the country produces 100 and exports 10 it is quite clear that what is left for our consumption and domestic investment is 90

units of a product, whatever it is. In this case exports decrease the goods and services available in the country, and imports increase them. If we produce 100 and export 10, we have 90 left. If we then import 8, we have 98. If we import 5, we have 95. What is the difference between 10 of exports and 8 or 5 of imports? This is the trade surplus. Argentina does not have any more foreign currency reserves than what it accumulates; it cannot produce foreign currency. But the foreign debt is paid with foreign currency. When we export more than we import, that fraction of national production that is left for our own use is less. This is the basic problem. And this is the issue of transfer of resources that leads us to the discussion of the debt.

There are extreme positions on this issue. One position is that the trade surplus should be as big as necessary to pay all the interest on the due dates. In the example I gave, and in the case of Argentina, this means: let us export 10 and import less than 5, which means that we have left 93 or 94 for every 100 we produce.

Another position is not to pay anything, but this will mean that we will not export or import anything. We will produce 100 and consume and invest the same 100, but the truth is that we will live isolated from the world and basically away from the transfer of technology. And most important, we will not get any benefits from all our advantages in terms of foreign trade. Therefore, we will reject living better than we would in a more open world.

The government position is to take a stand in the middle, that is, discuss the debt, but while the problem about the shared responsibility between debtors and creditors remains unsolved, pay part of the interest to get our creditors to recognize that there is a problem of shared responsibility, and that they should finance part of the interest. In other words, they should loan us more money so we can keep our accounts up to date.

But this is nothing new. We have been doing it since the beginning of our administration. Although we had times of greater or lesser difficulties, our proposal is understood in the world, and nobody has really had any problems with Argentina in this field, because what our government did was to maintain permanently a basic principle that has made Argentina into a credible country. Relations with our creditors are based nowadays on the same basis as in the past. They are based on the credibility of positions that are different, but which deserve respect from both sides.

Therefore, my impression is that this issue is not present in such a way as to change the rules of the game. What is present nowadays is a discussion of what is happening in Argentina in political terms. Obviously it is not the same thing holding discussions with our creditors if we have 2 or 3 years of administration ahead of us than if we have less than 1 year, and even less so when we are only just over 2 months away from presidential elections.

What is really happening is that our creditors are very much alert to what is happening in our country. This is why there is no major progress in the negotiations on the debt so far. But the disbursements from sectors that trust and support the Argentine Government in the development of its programs continue.

This is where we should try to be careful. When I say we, I mean the Argentine people, because if we transfer abroad our disagreements regarding the handling of international financial policy, the only thing we will do is take away credibility from the government of the Argentine people in the discussion of a problem that affects all the Argentine people.

You asked about the situation in Venezuela. I am, like most people, deeply moved by the events in Venezuela because many people were killed there. This is apparently the result of the handling of the economic policy. I believe this is a warning. It is frightening to those of us who have a responsibility in this field.

Venezuela began negotiations with the IMF. My experience as a negotiator, as Argentine economy minister, tells me that Venezuela has reached an agreement with the IMF that reflects Venezuelan interests. Because no one has ever signed an agreement that does not adequately cover the interests of the country.

However, I would like to make an observation that I made a few minutes ago. I would like to repeat it. I do not believe in the IMF programs, according to their tradition throughout the years. I do believe in the programs of stabilization that combine orthodox policies with income policies. And I believe that we have set a precedent in this regard. We set a precedent with the austral, which has always been respected, at least in the negotiations with Argentina.

It is not possible to think exclusively of formulas that look only at the development of the exchange market to establish fiscal or monetary policies, because the economy continues to be a social science and economic policy continues to be something that has to do with the everyday life of all the population, not just accounts made with numbers. It affects the everyday life of everyone. Unfortunately, the sad events of Venezuela confirm my position that if the policies that reflect the basic principles of economic operations are not combined with policies that take care the interests of the population, from the viewpoint of their daily lives, those policies will have a very short life span. Many things have been learned in that country in the past, but unfortunately this new event I believe adds something more on how careful one must be in developing programs.

[Brodershon] I would like to add a few words to what the minister said about the first part of the question. Let me give round figures: In 1989, due to the increase in international interest rates, we would have to pay $6.6 billion in interest. Our resources from foreign trade gave

us a surplus of $3 billion, and this is the difference we have available to pay the interest. This is not a surprise to anyone. We explained to the banks, the IMF, and the World Bank that we do not have resources to pay 100 percent of the interest. We have paid about half of the interest, and this has been our traditional policy.

This policy is not new. Mexico has that policy. Venezuela, Chile, and Uruguay are also implementing that policy. Countries are not in a condition to produce enough resources to pay all the interest. This is why we always insist that it is important to find a stable and permanent solution to the foreign debt problem. It is also necessary to discuss several other issues in addition to the need to get resources to pay the interest.

Last year President Alfonsin delivered a speech requesting a reduction in the international interest rates. He asked for an interest rate compatible with the debtor countries' ability to pay. This means that our country is not in a condition to create the necessary resources to pay all of the interest. We can pay half of it. This is not surprising because we told this to the banks in the meeting with the Committee of Banks when Argentina requested $3.5 million to finance the interest. [passage omitted]

[Alfredo Escosimarro] Alfredo Escosimarro, REUTER: You said that there is external financing, but that the upcoming elections are obstructing the results of the agreement. I recall that the Central Bank president and the finance secretary last year said after returning from Washington that the agreement with the IMF was practically ready. We are now in March, and the agreement with the IMF is not yet ready. The creditors obviously have not yet agreed, and the World Bank recently labeled the Argentine economy as unfortunately in disarray. So I don't know whether you really believe there is external financing for the $420 million needed for housing and muncipalities projects, which are the successful aspects of our economic policy.

[Sourrouille] Your comments are rather strange and perhaps unfortunate, but this is something ministers have to contend with. Argentina has external financing because it is able to get it. If you believe that Argentina does not have external financing, then it is up to you to prove it. Argentina has access to the international financial markets. It also has open credits; therefore, there is no need to discuss that point.

We all know what it means not to have external financing. It means interruption of financial relations with the rest of the world, and if this is the Argentine situation, then I would say that I am not living in Argentina. But because I live here I know that this is not the situation in Argentina.

Regarding the other problems you mentioned, expecially Argentina's relations with the IMF, and we define those relations as normal for a country that is member of an international financial organization, I should remind you that IMF officials have recognized the efforts made by the Argentine Government within the framework of the stabilization plan implemented last August. I also believe everyone knows that since the middle of last year, and especially since late last year, we have been discussing a medium-range program with the IMF aimed at achieving a sustained growth rate as part of a lasting inflation reduction.

In the current preelectoral political situation it makes no sense, and it is not our intention, to obtain a traditional type short-range stand-by agreement because it has no political or practical value. We preferred instead, and in agreement with IMF officials, to center our attention on a reform program that would contribute to strengthening the macroeconomic situation on a more lasting basis. This should serve as a basis for a medium-range agreement with the IMF in the next few months, when the circumstances of the national political life could give a more reasonable outlook for reaching agreements.

I believe that nowadays no one ignores the fact that one of the advantages of the permanent discussions in the political field held within the IMF, and especially in the interim committee, is to have incorporated several contingency mechanisms that would allow us to overcome the problems that we are not able to handle in the international context, such as sudden fluctuations in the interest rates and declines in export prices. Therefore, under the circumstances the country is going through, what we are doing is what should and can be done, and what we and the IMF believe is necessary, such as maintaining relations in which we define and study the future possibilities of the country.

We are certainly not going to be the ones to conclude a stand-by agreement 60 days before an election, because such an idea lacks political realism and common sense. [passage omitted]

USSR Purchases 13 Percent of 1988 Grain Exports

PY0704175889 Buenos Aires Domestic Service in Spanish 1600 GMT 7 Mar 89

[Text] The National Grain Board has reported that in 1988 the USSR was the main purchaser of Argentine grains. More than 13 percent of the 12,148,500 tons of grains and oil seeds exported by Argentina last year were bought by the Soviets from Bahia Blanca. Iran, which purchased 10.30 percent, was the second largest purchaser.

* Resettlement of Cubans From Angola Viewed

33480105b Buenos Aires LA PRENSA in Spanish 5 Jan 89 pp 1, 6

[Commentary by Daniel Lupa: "Are Cubans Coming From Angola To Argentina?"]

[Text] A few days ago, before the end of 1988, an important meeting was held in the Foreign Relations Ministry on the initiative, it is said, of our country's

[O GLOBO] Do you agree with Brizola's belief that on the second round, the PT and the PDT voters must inevitably vote for the same candidate?

[Lula] I do not believe that. It is not an automatic thing. We in the PT believe that it is important, both with regard to Brizola and with regard to Mario Covas, to make the maximum effort possible to ensure that two leftist, or center-leftist, candidates reach the second round. This would be much the best. We must work for this. Now, if we do not succeed in establishing who our main adversaries are, we run the risk of destroying ourselves on the first round. The fact is that people thought that the PT would only serve as an assistant, but the PT is tending to become the main artist. This is displeasing to the right wing.

[O GLOBO] An account established at a bank to accept donations is not enough to support a presidential campaign in Brazil today. Is the PT receiving foreign aid, as Brizola has insinuated?

[Lula] The PT is the only political party in Brazil which has no commitment on the international level. And I believe that this political independence was never an indication that the party was not entitled to receive money. It is not Lula who has traveled throughout the world in these past 3 years. On the day when someone wants to offer money to the PT, you can be sure that the offers will be made public. The PT vote is the vote of the member, the fellow who spends 4 hours carrying a bucket of whitewash on his shoulders, or a brush and a pile of posters to put up. I won 650,000 votes in 1986 by spending 900,000 cruzados. On the other hand, I spent 4 hours every morning going to the gates of factories employing more than 500 workers in Sao Paulo. I sincerely do not know who might give money to the PT. If anyone knows, please tell me, because we need a great deal.

[O GLOBO] How do you define yourself ideologically?

[Lula] I have never felt any great desire to define myself ideologically, to go about with a rubber stamp on my forehead saying that I am this or that. I believe that thanks to my political apprenticeship and the party to which I belong, I am a socialist. I have often been asked if I am a socialist or a communist, and I have said that I am a lathe mechanic. This is not what is important. The important thing is that society looks not at what you say you are, but at what you do, at what you really are. And what I am can be seen much more clearly from what I do than what from what I say. Therefore, although I am conscious of being a socialist, I do not go about shouting it out. I believe that the workers' class does not act or vote on the basis of ideology, because it does not yet have the training.

Chile

Pinochet Not Ready To Decide on Candidacy

PY0403194989 Santiago Domestic Service in Spanish 1500 GMT 4 Mar 89

[Text] President Pinochet is now returning from the 10th region. Answering questions before his departure, the head of state said it is too early to decide whether he will be a [presidential] candidate.

Here is a report from El Tepual Airport in Puerto Montt by reporter Graciela Contreras.

[Begin recording] Good afternoon. This is a report from El Tepual airport in Puerto Montt for Radio Nacional de Chile.

The head of state has said it is too early to make a decision concerning a petition by various civic groups, asking him to continue governing the country.

Specifically asked if he would be willing to run for president, Pinochet said that, quote, it is too early to say, unquote.

He made this brief remark while assessing his 4-day tour through the 10th region.

Speaking to the press, the head of state emphasized that the regional economy, was sound because fishing, lumbering and other industries had been established there. He also stressed the support he noticed during his visit here, which could be interpreted as the desire of some groups for unity after the plebiscite.

Concerning the possibility of a plebiscite [to amend the constitution], Pinochet said that it depends on the situation, as everything else in life.

Due to bad weather, the president canceled his visit to Chaiten, the last leg of his 4-day tour through Chile's 10th region.

Yesterday he changed his program somewhat because it was impossible to fly to Chaiten. He returned yesterday afternoon from Quellon and Chiloe to Puerto Montt.

It was expected that sometime today he would travel to Futaleufu and Palena in Chaiten, locations on the Argentine border. He had several activities scheduled there, including the dedication of El Azul hydroelectric power plant in Palena province.

The president expressed his concern for the area by announcing an appropriation of 320 million pesos for Chaiten, an area which has been connected to the rest of the country thanks to the southern highway. The money will be used for the communications network of Chaiten and Puerto Cisnes.

We repeat that, due to bad weather, President Pinochet's visit to Chaiten, Futaleufu, and Palena has been canceled. He is returning to Santiago this afternoon. He stated earlier that it is too early to make a decision concerning a petition by various civic groups in the country, asking him to continue governing our fatherland. [end recording]

PCCh Sanfuentes on Military Policy, Other Issues
PY0703190389 Santiago EL MERCURIO in Spanish 3 Mar 89 p C-2

[Text] Referring to "the people's obligation to defend themselves" when they are the object of "aggression by reactionary forces," PCCh spokesman Jose Sanfuentes has warned that "henceforth, the option to use force will no longer be monopolized by the Chilean right." He thus referred to the military policy issue, one of the major controversial issues at the debates being held by the proscribed PCCh within the framework of its national congress.

Sanfuentes also referred to the other main aspects of the PCCh congress, such as the review of the principle of "democratic centralism," the need to increase the decisionmaking powers of the party's middle-rank cadres, and the future relationship of the PCCh and the Armed Forces institutions.

Sanfuentes has also ratified the PCCh's interest in promoting a broad agreement of the opposition that will be expressed in a government of unity. He explained that if this agreement is not achieved the left will maintain a position of independence and caution regarding the democratic order.

Sanfuentes made these remarks in a lengthy interview he granted to EL MERCURIO during which he thoroughly explained the development of the first PCCh congress to beheld in 19 years. It is appropriate to mention that according to the original plan, PCCh congresses should be held every 4 years. Thus, this congress, the 15th, should have been held in 1973.

Stating that "the people must defend themselves from the aggression of the reactionary forces," Sanfuentes added that this measure seeks to avoid "the level of violence that has prevailed over the past 15 years from being repeated." He also reconfirmed that, in order to prompt a military intervention, the political right reportedly "captured the ideological interest of some leading cadres of the Armed Forces and used these institutions in their interests." Based on this fact, Sanfuentes also claims that all parties have some sort of military policy, and that "this is not exclusive to the Communists, as many want to make believe."

Sanfuentes was asked further on how the people should adopt this "popular defense" to which he referred. He said that "the manner and time will depend strictly on the type of oppression imposed on the people. The people have various possibilities of expressing their force: demonstrations, rallies, or other means that go beyond this, but always strictly based on the force imposed by the reactionary sectors."

When asked about the PCCh's possibility of mounting its own military organization, Sanfuentes stated:

"The concern over the military issue in Chile dominated the entire society following the coup, forcing the emergence of obvious actions during the dictatorship. In the future, all Chileans, irrespective of their approach to the quest for democracy will agree on the need to defend their earned right to a democratic future against any coupist attempt."

However, when asked further to clarify whether the PCCh considers the possibility of having permanent military cadres, Sanfuentes said that "all Chileans must be aware of all matters that are essential for coexistence within a society."

He added: "The people must be educated on the role of the Armed Forces, so they may jointly work for the national interest."

He concluded his analysis of the matter by stating that the PCCh and the FPMR [Manuel Rodriguez Patriotic Front] are organizations with different histories and that, "as is known, the two factions into which the latter was divided are absolutely independent of our party." He said that like this the action of ultra-leftist groups will no longer jeopardize the future democratic stability.

Regarding the development of the 15th PCCh National Congress, Sanfuentes stated that discussions at the level of cells—basic levels of the party organization—have concluded, and that the discussions now continue at the immediately higher level, that is, of the local committees—community level—with the participation of an undefined number of militants, estimated at "some tens of thousands."

Religious People Present at Debates

Sanfuentes termed "an interesting experience" the participation, as listeners, in the PCCh congress of representatives of parties such as the IC [Christian Left], the PRSD [Expansion unknown], the MIR [Movement of the Revolutionary Left], the PDC [Christian Democratic Party], and also of members of Christian communities, "and more than a few priests, of various political leanings."

Sanfuentes went on to say that "in the case of the priests, we have been pleasantly surprised by their knowledge of community problems and political matters. For this reason, they often criticize the parties, demanding from

Sao Paulo, for example, is a state which had an extraordinary agricultural potential, and it has been transformed into a cane brake. It is not just agrarian reform which needs to be launched, but also a farm policy capable of recovering the productive capacity of the country.

[O GLOBO] What is the commitment of the PT where the minimum wage is concerned?

[Lula] If we enter into a real economic discussion of the of the minimum wage issue, we will conclude that you advance from 40,000 cruzados to 120,000 by increasing demand, the purchasing power of the people. It is being said that there would not be enough supplies for everyone to buy, there would be no capacity to replace stocks, and so inflation would develop. But if you establish a level for the recovery of the minimum wage based on Decree Law No 399 of 1938, you will conclude that the worker would be earning more than 200,000 cruzados per month today. If the worker is not earning that much, it is because wages have been held down. Someone has profited by not paying the workers. We also know that it is not possible to go from 40,000 cruzados to 200,000 overnight. But it is possible to pursue a policy for the recovery of the minimum wage. The enterprises could give up a little of their profit and double the minimum wage.

I was once criticized because I said that Brazilian businessmen are stupid, although I had no intention of offending them. I said that they are stupid because they are working against the very capitalist system in which they believe. But for capitalism to survive, it is necessary to have consumption, and to pay wages, because when higher wages are paid there is greater purchasing power. This generates more jobs and more wages, and, in short, creates a vicious circle to which the businessmen are contributing. The concentration of income is very great. In a society of 154 million Brazilians, you have 35 or 40 million consumers, and 60 to 70 million individuals living in a state of almost total poverty. The minimum wage could be doubled, because it comes to nothing and contributes nothing.

[O GLOBO] But if if were so simple to double the minimum wage, why has this not been done as yet?

[Lula] It has not been done because the business class, not Brazilian society, rules in this country. Sad to say, we in Brazil live under a dictatorship of the privileged. One sector of society governs the country and ignores the desires of millions of persons. It would be important to conduct a survey to find out how many figureheads in the various business sectors are occupying major posts in the ministries today, how many directors of contracting enterprises are working in the ministries. And then we would see the seriousness of this problem.

[O GLOBO] The PT criticized the government actions harshly during the strike in Volta Redonda. How would your government deal with a strike in the metallurgical sector, with the furnaces shut down, or others in essential sectors?

[Lula] Let me tell you a story. I have already had occasion to participate in a strike affecting several enterprises in Sao Bernardo, where we in the union discussed in advance whether we should shut down the furnace or not, and we decided not to. We decided that a group of comrades who were as proud of the movement as those of us who were on strike would keep the furnace going and functioning, because we knew how much damage might be done if it was allowed to cool. I believe that the comrades in Volta Redonda would also be ready for this type of discussion. The problem is that when the government will not negotiate, when the government is incompetent, and when the manager of the state enterprise is also an incompetent negotiator, you reach the crucial date and encounter the problem which occurred in Volta Redonda.

A strike is not a state of mind, but a need felt by the worker class to make some of its demands heard. A government which has popular commitments will not wait for the crucial date before beginning to negotiate. It will begin negotiations 3 or 4 months earlier and will open up the books of the state enterprises so that the trade-union movement will have access to them. For the money does not belong to a particular enterprise, but to the people. The money belongs to Brazilian society.

[O GLOBO] On the basis of what you are saying, we can reach the conclusion in advance that a strike under a PT government would be an admission of incompetence.

[Lula] I believe that in fact a strike is evidence of incompetence. Obviously, you have exceptions. What I want in my government is joint responsibility. I will give you an example. Whenever there is a strike, you have on the one hand a businessman saying that he cannot give anything, and on the other, the worker saying that he can. This is in the private sector. It is the same in the state sector. The majority of the government leaders find themselves in the clutches of the contractors and bus enterprises. In a democratic government, the workers will have access to the enterprise budgets. If we are in public office, we will discuss the alternatives in an atmosphere of confidence, whether it is necessary to transfer funds from education to health, for example, to pay wages. The workers may come to the conclusion that the demand for an increase is absurd, in view of the other priorities.

[O GLOBO] In a comparison of your ideas with those former Governor Leonel Brizola has set forth in this series of interviews, there are few differences except for style. In the final analysis, what is the difference between the PT and the PDT?

[Lula] In Brazil today it is very difficult to assess a political party on the basis of its program. I have had occasion to read the programs of various parties. I was astonished to learn that no party is lagging behind. No one wins an election by being opposed to a reduced labor day, a reduction in interest rates, agrarian reform, or the distribution of income. Everyone pursues the most democratic discourse possible. It is when the time comes to

put this democracy into effect that the people see that there is a difference. I do not have a profound knowledge of the program of the PDT, but the practice of the PT is different. I believe that the PDT is defending an erroneous thesis, claiming that it does not matter with whom one seeks an alliance, and that what is important is having hegemony.

And this is the reason for the abuses in Rio Grande do Sul—the PDT has formed alliances with the Social Democratic Party (PDS) and the Brazilian Democratic Movement Party (PMDB). And that is why in 1982, Brizola entered into an alliance with Nelson Marchezan, with Julio Campos in Mato Grosso, and with Wilson Braga in Paraiba.

[O GLOBO] How do you respond to Brizola's criticism that the PT is in practice a collection of groups with different beliefs?

[Lula] One of the things which I like about the PT is the political debate within the party. If the PT were a party with a "superior being" whose will always prevailed, we would not be a party. We would be an entity being maneuvered. I am not concerned about the fact that the PT includes leftist political groups. I will be concerned on the day when it includes rightist groups. I believe that these groups have helped the PT to respect their right to think, to have their own points of view. They have helped to build the PT and to organize the working class. If their positions have sometimes been erroneous, it is their problem, and the damage is theirs, not that of the PT. This is so true that the PT is the party which saw the most growth during the last elections. This means that we are right more often than we are wrong, although our adversaries criticize our factions.

I doubt that there has ever been a party like the PT in the history of this country. I believe that there has never been a party with such a firm political orientation, such democratic practices, and such obedient members as the PT, with its bodies making the decisions. The members fight within the PT as if it were an order. It is not Lula's order or Lula's will. What we have created is respect for the democratic bodies.

[O GLOBO] Another of Brizola's criticisms had to do with the aid the PT receives from the church. How important is the church in building the party?

[Lula] I was a little concerned when Brizola criticized the progressive church. I imagined that Brizola would criticize Dom Eugenio Sales, Dom Agnelo Rossi and the right-wing sector of the church, but not the leftist personnel. How many leftist militants in the PDT are there in this country? How many in the PMDB ? How many in the PT? I do not know why only those in the PT are under attack. I do not know if Leonel Brizola's view is that the father should pat the child on the head and say "my son, you must be content to suffer here on earth and to go to heaven when you die." I prefer the Holy Church which says to the people: "Look, lift up your heads—there are those who want to deceive you. Lift up your heads and fight, because no one will give you anything free, nothing falls from the heavens." That part of the church does not come from the PT. But it is contributing to creating a better political understanding on the part of society, and when people begin to understand this, they will turn to the PT.

What party in this country has elected the most peasants? Who are the peasants who have become state deputies in this country, and to what party do they belong? Look and see which party has elected the most workers. The church, then, is not a part of the PT, just as it is not a part of the PMDB, the PDT, or the PC [Communist Party]. I believe that the church today, the progressive church, is contributing to enabling the people to make a political choice. I prefer that church to the conservative one. Thus I believe that Brizola's criticism is baseless. He should understand that this progressive church is in large part responsible for his return to Brazil.

[O GLOBO] In a recent interview, the jurist Raimundo Faoro said that this is not the time for the PT to win the Presidency of the Republic. What is your view of this statement, coming precisely from a person who has been mentioned as a possibility for the vice president's slot on your slate?

[Lula] It is amusing. He believes that the PT should not seek the Presidency now. But it is the people who will know at the proper time, on 15 November.

[O GLOBO] Does the PT have cadres capable of taking over the federal administration?

[Lula] I think that there are few political parties with the number of cadres the PT has. I am prepared to give you names in the field of the economy, or education, energy, physics, chemistry, sports—any activity. It suffices to compare the secretariat of Comrade Luiza Erundina in Sao Paulo with that of Prefect Marcello Alencar in Rio de Janeiro.

[O GLOBO] But the doubt which exists, even among some members, has to do with whether the PT is in a position to take over a country in crisis.

[Lula] I would not say that. Look. We are not a ready-made party. We are a political party with an awareness that the role reserved for us is to try to bring about more radical changes in the realm of economics, politics, and the social sector. I believe that Brazil is a fully viable country which needs repair. I think there is no greater administrative disaster than that in the prefecture of Rio de Janeiro. And Saturnino Braga did not experience all of this because he came from the PDT. I do not believe that Saturnino, who is a member of the PSB today, is any different from the Saturnino who was a member of the PDT. Brizola's problem is this—those who are with him are gods, and those who are not are devils.

[Lula] It is very complicated to tell you what else might be nationalized, because it will take us some time to democratize what the state has already taken over. I believe that if we prove competent in democratizing the administrations of the state enterprises such as to make their operations clear and understandable, we will be doing something revolutionary in this country. We support the idea that the nationalization of the financial market is necessary, so that the government can have total control of the economy of this country. Now, people are frightened when there is talk of a state takeover of the financial market, failing to see that it is already totally a state matter. Each state has its state bank. The PT has as its goal the nationalization of the financial system, and this should not be done by decree law. It is necessary first to convince society politically of the need for the measure. And this will be the tone of the PT government.

To the extent that the people are able to engage in this discussion, the state enterprises, which are enormous today—those in the metallurgical and electrical energy sectors, for example—must be democratized. In other words, the people must know how these enterprises are being managed. We even believe that the management of these enterprises cannot be hidden, using the pretext of state secrecy. We believe that those in the management must be chosen from among competent professionals in the sector.

[O GLOBO] Would the PT make a commitment to carry out broad administrative reform? Could the PT, in the government, dismiss personnel?

[Lula] There are two types of posts. You will see that those dismissed in the PT administrations on the municipal level are the so-called "figureheads," the political appointees—those who take but do not work. If you want to make public administration in Brazil moral, you might possibly have to dismiss between 200,000 and 300,000 government employees, or more, which is more or less the current estimate of the extent to which the government machinery is bloated. The state could not be responsible for the dismissal of these individuals. What there needs to be is a serious policy of refraining from hiring anyone until a policy for placing all of this personnel is established, because what is happening with the current government leaders—and the PT will change this in the prefectures—is that the citizen comes in and says that the machinery is bloated, but instead of contributing to reducing it, he hires hundreds and hundreds of individuals. It is true that some departments have many workers who are idle, but there are others where the taxpayer has to wait 2 hours in line to be served, because there is only one poorly paid clerk, who usually serves the people with ill grace. It is a question then of reorganizing in such a way as to place people in the areas where public service is the worst today, such as the social security offices, the municipal departments, and the Ministry of Labor. I have the impression that if Dr Ulysses Guimaraes were to summon all of the employees of the Chamber to appear at the same time on the same day, the Chamber might not hold them all. In the Senate, which is a smaller body than the Chamber—there are only 72 senators, but the people are losing count because a new state is created in this country every day—the budget is still larger. There must be a radical change in public administration. What is not possible is to continue paying someone who provides no service. If it is necessary to reduce the size of the ministries, I believe that we should do so, and to a considerable extent. In Brazil, no agrarian reform has ever been carried out, and yet the Ministry of Irrigation, the Ministry of Agrarian Reform, and the Ministry of Agriculture were created. It is all foolishness. Creating ministries means creating structures, premises, staffs, and wages in a country which cannot allow itself this luxury.

[O GLOBO] As president of the Republic, will you undertake to promote some kind of change in the Constitution?

[Lula] The Constitution should be changed and adapted in various respects. I would like to reduce the role of the military, because I believe that the Constitution has given them tremendous privileges. In other words, in the name of law and order, they can do anything. They are regarded as beings superior to the members of the rest of society. I think that the military should play the important role which falls to them in any country in the world, whether capitalist or socialist. But I believe that they should be more concerned with foreign security. The Armed Forces should be an institution more concerned with defending society against foreign enemies, as is the case in France, Italy, and the United States, rather than being concerned with domestic problems. In the United States, a government is elected and then the government finishes its term, and the Armed Forces do not take action claiming that it should be done in this or that fashion. Here on the American continent, the military are the veritable sponsors of society. It is for this reason that events like those in Volta Redonda occur. I believe that this should be reduced somewhat. The Brazilian military are becoming mature enough for this. It is not possible to continue to pursue the doctrine according to which a coup is the solution to a crisis.

[O GLOBO] How will the PT choose the military ministers? Does the party have many members in the Armed Forces?

[Lula] The other day I was joking with some friends of mine, and I said that the PT is not concerned about this, because it is very likely that no other party in Brazil has a military officer like the hero of the civil war in Spain. The PT has an officer with the highest decoration a military man can receive. He is Comrade Apolonio de Carvalho. I doubt that Brazil has another general who has participated in so many battles.

In our view, there will be no difficulty in choosing. First, because the Constitution establishes that the president of the Republic is the commander in chief of the Armed Forces. We would like to have won support for a Ministry

of Defense at the Constituent Assembly, rather than the maintenance of the three military ministries. Obviously, the service record of these individuals would be taken into account, along with their conduct during the period of the authoritarian regime and their political view of the situation in Brazil and of the Armed Forces themselves. What we do not lack is a criterion for choosing a minister. And also, we have various military friends in retirement. The PT will make improvements in the Armed Forces as well as the other institutions. I believe that the military represent an institution needed in any political system which might prevail in the country.

[O GLOBO] With direct election of the president of the Republic, is some type of support from the Armed Forces still necessary?

[Lula] I do not intend to seek such support. I do not intend to have prior commitments to the military.

[O GLOBO] There are reports to the effect that the PDT has made some commitment in connection with the Land Force 90 (FT-90) program, which is the "apple of the eye" of the Army. Would the PT commit itself to continuing the development of this project?

[Lula] Our belief is that the PT should not make any commitment to the military, because we are going to have a program which will be public. We will not go in search of permission nor will we go to talk with the military to obtain approval for our candidacy. The talks we will have with the military will be the same as we will have with each of the Brazilian citizens in this country. We want to talk with the military as civilian citizens during the campaign, because I do not see any sense in continuing to ask the blessing of the military in order to run as a candidate for the Presidency of the Republic.

[O GLOBO] How will your government deal with the nuclear program?

[Lula] I think that even for scientific purposes, the Brazilian nuclear program is unnecessary. The contract should be examined, because there is so much money at stake that you cannot simply say I am interrupting it because I am against it. It is necessary to examine what is involved here. You can make changes, depending on what the agreements say, and on the development of the construction work. You could change the nature of the uses of the program.

But I think that Brazil is a country which needs another type of energy. Brazil is a privileged country. No country in the world has as many rivers which can supply energy. But in truth, Brazil lacks energy, other than physical energy, because the Brazilian people are poor. Almost two-thirds of the people consume less fuel for their bodies than the minimum regarded as necessary. What we need is the energy from beans, rice, milk, and meat—the things which will fill the bellies of the people. I believe that sometimes Brazil has a mania for power, the mania of Brasilia, of the military. We are a major exporter of shoes, but our people go barefoot. We have the third largest herd of cattle in the world, but our people are not able to eat meat. We are one of the largest exporters of grains in the world, but our people are suffering from hunger.

I note that the Brazilian people still do not have the right to purchase black and white television sets, but we already have color televisions here. Because what we had to take into account was not the interests of the Brazilian people, but of the interests of the enterprises which produce color television sets. We are entering into the era of nuclear energy because of the pure despotism of our government leaders, because once again they were not concerned with the people, but with serving the interests of those who wanted to sell reactors. Brazil does not need this, unless it is thinking of becoming a great world power from the point of view of weapons, which I oppose. I believe that Brazil could very simply do without nuclear energy. I intend to visit Angra dos Reis to obtain information about the situation at our nuclear plant.

[O GLOBO] With regard to the agrarian reform program, do you intend to renew the proposal to expropriate unproductive land?

[Lula] In Brazil, our only experience with agrarian reform is that of the hereditary captaincies [jurisdictions similar to provinces]. From that time to this, the government has given out scraps of land and has organized settlements and the occupation of land areas such as the Amazon region, but in disorderly fashion. In other words, it has taken a group of citizens, put them down in the middle of the jungle, and said, "Agrarian reform has been effected." This is not agrarian reform. Agrarian reform does not just mean giving out land. It requires the socialization of the results of the land use. For example, a citizen does not necessarily need to stay in the rural sector. He can work in the fields, receive a wage, work 8 hours, just like a factory worker, have a car and a doctor and the right to go to the city, to the movies or the theater, to go with his son to the park. We should undertake a real survey of what is productive land in this country. I think that productive land is that which the citizen plants, that which provides work and leads to the distribution of income. When a citizen tethers a goat to graze on grass and says that the land is producing, which has been the estate owners' custom, as was noted at the Constituent Assembly—that is not productive land.

I think that if it is necessary to expropriate an area to serve the collective interest, there is no reason not to do so. This is nothing revolutionary, but is a process suited to the advanced capitalist system. Italy undertook its agrarian reform, as Sweden and Germany did theirs. And Brazil must undertake its own agrarian reform. One of the things we want to deal with in the Constitution is the land issue. The Brazilian estate owner still has a feudal mentality. He must be told that the land cannot be used for speculative purposes.

at the ABC [Santo Andre, Sao Bernardo do Campo, and Sao Caetano do Sul industrial sectors] in Sao Paulo, when the military regime was still in full swing, putting the man behind that voice in the forefront as one of the principal leaders of the Brazilian trade-union movement. Federal Deputy Luis Inacio Lula da Silva, founder of the Workers Party (PT) and the Central Union of Workers (CUT), appears a less impetuous figure in his persona as a candidate for the Presidency of the Republic, although he has not thereby abandoned his proposals of a reformist nature. He has stated that if he is elected to the post in the Planalto Palace, he will suspend payment on the foreign debt entirely (he calls it "the worst disease of the country, which is killing more defenseless people than the bombing of Hiroshima"), will nationalize the financial market, and will, at the outset, double the minimum wage. Another PT government undertaking, Lula has announced, will be to reduce the role of the Armed Forces guaranteed by the Constitution. "In the name of law and order, the military can do anything. Military personnel are regarded as beings superior to the rest of the members of society," he says, adding that he does not intend to make any prior commitment to the military or to "ask them for their blessing for my candidacy." He says with assurance that the PT is not afraid of administering a country in crisis and is prepared to make radical changes in the economy, in politics, and in the social sector. He insists that Brazilian businessmen are "dumb," because in his view, they are working against the capitalist system when they hold down wages and prevent the growth of the consumer market. And he admits that the working class neither acts nor votes on the basis of ideology.

The former lathe mechanic is making a visible effort to avoid reacting to the prodding former Governor Leonel Brizola has directed at him, but he cannot contain himself. He says that one of the differences between the PDT [Democratic Workers Party] and his party is that there is "no superior being" whose will always prevails in the PT, nor are indiscriminate alliances undertaken in an effort to achieve hegemony. As to the attacks made by Brizola supporters on the "progressive church," Lula says that Brizola acts like an individual who believes only in the "father who pats your head and says you must be content to suffer here on earth."

"Brizola must understand that this progressive church was in large part responsible for his return to Brazil," he points out.

Lula suggests that a comparison be made between the secretariat of the prefect of Sao Paulo, Luiza Erundina, a member of the PT, and that of Rio de Janeiro Prefect Marcello Alencar, of the PDT, in order to see the difference in quality between the two parties.

"There is no administrative disaster greater than that in the prefecture in Rio, and Saturnino Braga, who is a member of the PSB [Brazilian Socialist Party] today, is no different from when he was a member of the PDT. Brizola's problem is this—those who are with him are gods, and those who are not are devils."

In order to complete the 3-hour interview in his home in Sao Bernardo do Campo, it was necessary to ignore the telephone, and the doorbell as well, which also rang insistently. Below we report our interview with Lula, the fifth in a series on the candidates in the presidential election this year.

[O GLOBO] How will a PT government deal with the foreign debt?

[Luis Inacio Lula da Silva] We in the Workers Party became convinced some time ago that this country's worst ailment is the foreign debt. Our position is clear. We will suspend payment on the foreign debt. You cannot reconcile the need for the development of a country with the need to pay out $15 billion in interest every year. These things are incompatible. Either the government makes the choice to pay the foreign debt, thus serving the interests of the international bankers and allowing the Brazilian people to continue to suffer from hunger, which is what is happening, or it can reinvest this money here in the country to see if it is possible to create a development process within the very short run capable of ensuring Brazilian self-sufficiency in agriculture and technology.

Many people believe that this is impossible, because our creditors will exert pressure, consistent with the greater or lesser weakness of the head of the government involved. If our government leader adopts a firm political position, and if some other government leaders in Latin America rebel with him, the entire world will become convinced that the Third World cannot cope with the foreign debt.

[O GLOBO] This would not, then, be a measure like the last moratorium, but would suspend all types of payment?

[Lula] It would suspend everything. The PT wants to hold a hearing on the foreign debt. Obviously, we will not call upon any multinational company for this purpose, but will organize a hearing with Brazilian experts. We will make a survey covering every dollar brought here in order to see where it was applied. Then we will appeal to society to adopt a position on what to do about the debt. If we launch a debate on the country's foreign debt, if we enlighten the public about what it represents, I believe that society will be mature and capable enough to support to any measure the government might adopt.

One of the important things which must be made very clear is that the whole world—and I have talked with trade-union leaders in various parts of it—will have no difficulty in understanding that the foreign debt today is killing more people than did the civil war in Spain or the Sandinist revolution, for one very simple reason. It kills defenseless people. It causes children, people who do not

have anything to eat, to die of hunger. Thus I believe that the position of refusing to pay is not a sectarian or a radical position. It may be radical in the eyes of the international bankers, but not in the eyes of the citizens of Brazil or the countries which believe that it is possible to develop in another way. They are on the side of the vast majority, and will adopt measures designed to benefit the people. If the government is supported by a small segment of society, it will continue to pursue a policy taking into account the interests of only small social groups.

If this were not the case, don't you think it would be easy for President Sarney to suspend construction on the North-South Railway, for example, in the name of morality in this country? Why doesn't he do so? Don't you believe it is important for the president of the Republic to review the issue of the radio and television concessions granted in recent months? Why doesn't he do so? This country here is a granary of interest to the entire world, and so it can calmly be much more open in its trade relations. The fact is that 20 years of free will have transformed our country into the backyard of the United States, and we must make the Americans understand this. We want to maintain the best political relations possible with the United States, but an egalitarian policy is not a subaltern policy. I believe that this problem must be discussed between the two governments. I cannot accept the fact that a representative of the government, or the government itself, would be willing to talk with bankers. This debt must be dealt with between one country and the other, because thus the responsibility is greater on both sides.

We cannot under any circumstances allow the people to remain uninformed. There is a disparity in the value of our debt between here and there, where it is discounted at 40 percent. If it is only worth 40 percent to the creditors, why should we have to pay interest on 100 percent? It even becomes an absurdity. In other words, we are like the ignorant citizen who buys a ticket for a lottery which is over, thinking that he will win. Brazil is accepting something above what the creditors are demanding abroad.

[O GLOBO] Would conversion of the foreign debt be an alternative the PT government would consider?

[Lula] In the campaign, we are trying to put forth a proposal, and obviously we will discuss the problem of converting the foreign debt. I would not be able to say what the best measure would be. The only thing about which I am clear is that we cannot adopt any measure involving payment of the debt. We in the PT believe that the countries of the Third World should adopt a unanimous position on this problem. Otherwise, it will be like one worker trying to resolve his wage problem alone by bargaining with the owner of the enterprise. My idea is to create a body, something along the lines of the European Common Market, which would bring the debtor countries together in order to establish a new cultural and trade policy among the nations.

What is not possible is to continue exporting raw materials at banana prices while purchasing manufactured goods at gold prices. One needs only to go to the Amazon River to see how much bauxite is being taken out at banana prices, while Brazil is subsequently forced to purchase that product at the price of gold. We need to be bolder and to tell the world about this. Not the bankers, because the bankers are insensitive. Imagine beginning to tell not the government leaders, but the American people, that the average amount of meat eaten by the Brazilian citizen in 1964 was 44 kg, while the figure for 1986 was 24 kg, and in 1988, it was down to 12. The deaths caused by the foreign debt vastly exceed the disaster caused by the atomic bomb in Hiroshima.

[O GLOBO] What is your strategy for combating inflation?

[Lula] If each one of us individually had a solution to inflation, the country would have no inflation. I think that there can only be control of inflation and reduction of it if an effort is made first of all to discuss the problem of the foreign debt. The second thing is to discuss the problem of the domestic debt and the public deficit, and the third is to discuss the issue of investment in the productive, and not the unproductive, sector. The fourth thing needed is to lower interest rates, and the fifth, to control prices. It is also necessary to establish a profit margin, which exists the world over. No one can obtain 100 percent on the capital invested in the same year. There must be a very large dose of conscience. It is for this reason that I say that there is no individual solution. You cannot resolve the problem by decree law or by an economic package.

[O GLOBO] Then the PT, if in the government, would also cancel the social pact?

[Lula] It is necessary for Brazilian society to come to the political conviction that the thinking of the people must change. This is not a pact, among other things because this word has been worn out. But I have seen the balance sheets of the enterprises for the end of the year, and they are frightening. Some large enterprises earned more money in 1988 than in any other period in the history of their operation in Brazil. Meanwhile, the gross domestic product has declined, and this means that these enterprises did not earn their money by investing in production. No one is going to want to invest in Brazil if the citizens of Brazil are taking their money out in order to ensure profits.

[O GLOBO] Will the PT government tend toward nationalization? What sectors should be controlled by the state?

would you vote? The interviewer then presented a second card from which the names of those most likely to have trouble staying in the race had been omitted, leaving only the names of the declared candidates. The same question was then repeated.

The spontaneous poll—as explained by Gallup's director, Carlos Eduardo Mateus—is a more reliable indicator of what may happen in the coming presidential election. It has the advantage of being a clearer expression of public opinion—a kind of vanguard which, in the medium or long term, winds up influencing the final choice made by the poorly informed or undecided voter. Although the scores achieved by the candidates in the spontaneous poll are low at the moment, they have a more solid foundation. For its part, the card poll rests on ground that is less firm politically, but all the same, it definitely expresses a potentiality in the election. Fluttering in front of that card is a voter who is uninformed, less sure, and more easily influenced—but who nevertheless has his voter registration card tucked away in a drawer. At the moment, that voter would choose Silvio Santos. What this card poll shows immediately is a strong phenomenon of popularity as far as the TV host is concerned. It leaves an electoral enigma up in the air.

The table [not included] shows the results which Leonel Brizola, the leader in the spontaneous poll, obtained in the card poll, which does not favor him. Since that poll deals more with the candidate's image, especially among voters open to influence, it can serve as a compass for the candidate himself.

Brizola is the champion of champions in the south but has problems with rejection in the southeast region, which is where most of the voters are and where 56.9 percent of those polled said they definitely would not vote for him. Since the southeast includes Rio de Janeiro, where Brizola encounters less rejection, the conclusion is that the candidate for the PDT [Democratic Workers Party] will have to focus his efforts on the two states with the most voters: Sao Paulo and Minas Gerais. Mario Covas of the PSDB [Brazilian Social Democratic Party], who ranks fifth in the spontaneous poll, is rejected by 40.6 percent of the voters in the southeast, giving him a much higher growth potential than Brizola. Brizola's difficulties are greater among women than among men, greater in Class A [the highest socioeconomic class] than in the middle class, and greater among the better educated voters. On the other hand, he does better with young people than with older voters—and this year, thanks to the fact that 16-year-olds will be allowed to vote, the number of young voters is going to increase and probably decide the election. More news that may please him: The PDT's supporters are much more loyal to him than the PT's voters are to Lula, for example. And the PDT has also grown.

In August 1988, the PDT was vying with the PDS [Social Democratic Party] for fourth place (it had 5.4 percent, compared to 5.1 percent for the PDS). The challenging aroma of the municipal elections permeated the PDT, which has now jumped ahead to 9.3 percent—passing the PFL [Liberal Front Party] on the way. Its growth curve is moving upward.

Deputy Leader and the Others: Dead and Alive

In addition to the fact that he is leading in the spontaneous poll, Gallup has other good news for Leonel Brizola—and a disturbing worry. Part of the good news to be celebrated has been shown in the table assessing his image in the card poll. The rest of the good news comes from the spontaneous poll. His popularity is up in all social classes, even among those formerly most resistant to him: the extremely rich and the extremely poor. In August 1988, the PDT candidate was losing to Antonio Ermirio, Fernando Collor de Mello, and Mario Covas among the wealthiest groups and to Silvio Santos among those who have nothing. Brizola also has nothing to complain about, on a number-by-number basis, as far as regional results are concerned: His longstanding popularity in the south has increased, he is gaining ground in the northeast, and even with the difficulties he has encountered in Minas Gerais and Sao Paulo, he is still leading in the southeast—and has even picked up support. The only regions where he is outdone—and then only by a minute margin—are the north and the central west. There the leader is the same candidate who is beginning to put him in the shade precisely in the region where one-third of the nation's votes are stored: the southeast. And that candidate is Lula, the PT candidate. Here is where the poll brings the bogeyman to life.

It fell to Luis Inacio Lula da Silva to make the most spectacular leap in the Gallup poll in comparison with the figures published by ISTOE SENHOR in August and verified by the public opinion institute in October—that is, before the municipal elections. Lula, who in August was in sixth place in the spontaneous poll, where he was grappling in the ditch with Mario Covas, Paulo Maluf, and even Aureliano Chaves, has knocked everybody down and jumped to second place: from 2.6 percent in August to 8.7 percent now. Brizola still has a comfortable lead over Lula. His problem will actually lie elsewhere: in Lula's party.

The results achieved by the Workers Party in the November elections correspond to what interviewees have been saying about it in the polls. The PT has supplanted the PMDB [Brazilian Democratic Movement Party] as Brazil's most beloved party. One voter out of four now confesses his preference for the PT—in August, fewer than 15 percent of the voters expressed that preference. In the State of Sao Paulo, where one-fourth of the nation's voters are concentrated, the PT is approaching the 40-percent mark in people's preferences. As is shown in the graph [not included], the turning point coincided with the municipal elections. Moreover, that same PT with which people are beginning to identify more and more has a remarkably clear political and even ideological image: Three out of every

four interviewees who felt competent to express an opinion on what the PT stands for said it was a leftwing party. So if they do support it when the time comes, they will know what they are doing.

There is less liking for Lula than there is enthusiasm for the PT—and the table [not included] includes a disturbing piece of news for someone who thought he was the heart and soul of the party. One-fourth of the PT's voters would definitely or very probably not vote for Lula for president of the republic. The candidate's dilemma starts there, as do any possible hopes he may have: If Lula manages during the campaign to appropriate the good aura now emanating from his party, his chances in the presidential election will be good.

The figures in the table based on the card poll and shown above [not included] indicate that Lula has other problems besides the job of building an appropriate identification with the party which he created but which now seems to be outdoing its own creator. For example, Lula, who is a northeasterner, is having trouble getting accepted politically in the northeast. He needs to melt the natural suspicions felt by the richest voters (and in this case, the spring thaw for Lula may be starting already) and the older voters (he is much more popular with young people). Moreover, a surprisingly large number of citizens in the lowest socioeconomic class [Class E] are still not familiar with the candidate of a party which calls itself the Workers Party and promises the political emancipation of the disadvantaged.

In this presidential race, there are other events which are accurately detected in the poll. One of them is the tragedy of Ulysses Guimaraes. The candidacy of the national chairman of the PMDB is known to one-fourth of the voting population. But of those who know that Ulysses is a candidate, only 1 out of 10 would venture to vote for him. In the spontaneous poll, Ulysses is in sixth place alongside Paulo Maluf. Ahead of them, but not by much, is Mario Covas, a politician on whom many eyes are fastened. The Gallup poll reveals that Covas lost ground after leaving the PMDB—and that he has not yet recovered. Fernando Collor de Mello is marking time in fourth place, and Orestes Quercia, who was in fourth place in August, is paying for his words. His support is declining in the same proportion as voter certainty that he will be a candidate. Quercia says he is not a candidate, and the voters believe him.

PT Is Out To Win

The PMDB, once Brazil's biggest party, has turned into the biggest party in the northeast and the north and central west. The Gallup poll attests to the fact that the PMDB is descending further and further into a deep valley—to borrow an expression used by Tancredo Neves. It is also still the biggest party in Class E. The PT, which has exchanged positions with it, has experienced explosive growth in its birthplace—that is, the southeast. It is still having difficulties in the northeast.

Reflecting a combination of admiration and liking, the party most dear to the hearts of the rich is—believe it—the one calling itself the Workers Party. It is also strong in the upper and lower middle class, the class that is charmed by the banners of public morality. A phenomenon causing instability is the brand-new PSDB, which is strong in Class A and in the southeast but weak everywhere else.

Center Being Squeezed by Both Sides

Gallup took care to compare the vote in the November municipal elections with the preferences expressed by its respondents in December. That comparison suggests that two cautions are necessary. First, preference for a party does not necessarily mean a vote for that party. The PT received only 3.2 percent of the vote in the northeast. According to the poll, it is preferred by 12 percent. The PMDB is preferred by 22.6 percent in the northeast—and received 34.9 percent of the vote. The second point is that one's liking for a party or antipathy toward it usually matures somehow into a vote.

The Gallup poll also tried to ascertain how the voters classify themselves from the politicoideological standpoint and how they perceive the existing parties in that same politicoideological spectrum.

The thing to be emphasized right from the start is the sharp political profile of the PT—followed by that of the PDT. Next, there is the interesting circumstance that voters are no longer afraid to say that they are either on the left or on the right. Those two self-evaluations practically balance each other out, thus foreshadowing a polarization in this year's presidential campaign. The greatest number of those unable to define their position is found in Class E. Gallup judges that the undecided will tend to move to the left—which, incidentally, is what happened in November. Especially if the crisis grows worse.

This was a truly national poll. Voters in 22 states, 74 microregions, and 227 cities and towns—ranging from those with fewer than 10,000 inhabitants to the state capitals. Gallup interviewed 3,095 adults of both sexes, all socioeconomic levels, and various age groups. The object was to make the sample reflect as closely as possible the national electorate that will choose the president of the Republic. For that reason, the proper proportions were observed in selecting the sample: More voters were consulted in Sao Paulo than in, for example, Maranhao, and there were more urban voters than rural voters.

*** Lula on Debt Payment, Military, Minimum Wage**
33420029 Rio de Janeiro O GLOBO in Portuguese 15 Jan 89 pp 8-9

[Interview with Luis Inacio Lula da Silva by Luis Erlanger and Terezinha Lopes in Sao Bernardo do Campo; date not given]

[Text] Sao Paulo—The husky voice is no longer as forceful as it was 11 years ago when it made itself heard at the rallies of metallurgical workers during the strikes

be to negotiate a way of bringing Uruguay in and thus obtaining its approval, within the framework of financial integration in the Latin American Integration Association.

The few bankers who are familiar with the project are doing their calculations. There are a lot of dollars at stake. But first Menem has to win.

*** Military Update on Officers on Trial**
33480105c Buenos Aires LA PRENSA in Spanish 20 Jan 89 p 8

[Text] A total of 20 subordinate officers who were involved in the events of Easter Week and Monte Caseros have already been found guilty by the Court Martial, although the sentences have not been firmed up because of the appeals that have been filed, while 50 others are still on trial, a high military source revealed.

Among officers at the rank of lieutenant colonel or major and those at lower ranks and noncommissioned officers, "exactly 91" are on trial, said the source, thus refuting the reports recently furnished by the Center of Studies for the New Majority.

According to the information provided by the military spokesman, there are 16 commanding officers, 70 subordinate officers and 5 noncommissioned officers on trial, which gives a total of 91.

"Of the 70 subordinate officers on trial," he clarified, "a total of 20 have already received sentences from the Martial Court, but they are not firm."

This is the first time that top-ranking military sources have summed up the status of the officers who were involved in the uprisings of Easter Week and Monte Caseros after the serious military crisis in December of last year.

The source declined to provide details on the status of all of the officers who were involved in the most recent mutiny.

Returning to the events of 1987 and January 1988, the informant said that all of them have "cases that have gone to plenary proceedings, which means a decision to subject the personnel in this status to Martial Court."

"This implies," he added, "that some prima facie evidence proving liability for the infractions committed has arisen during the preliminary proceedings."

Early this month the Center of Studies for the New Majority distributed a complete report on the status of the officers, indicating that 432 were on trial for the various uprisings.

In this same vein the military source also recalled that a total of 7 commanding officers (lieutenant colonels and majors), 40 subordinate officers and 59 noncommissioned officers had already had their suits dismissed, again in connection with Easter Week and Monte Caseros.

"This means," he said, "that the inquiry conducted by the military judge did not develop evidence proving their liability in the events under investigation."

He recalled lastly that the chief of staff of the army is empowered to "halt prosecution of the personnel affected by that measure." (NA)

*** Menem, Ubaldini at Odds on Labor Document**
33480105d Buenos Aires AMBITO FINANCIERO in Spanish 13 Jan 89 p 48

[Report by Luis Calvo Anglada: "Not Just One Argument Between Menem and the CGT"]

[Text] In just 48 hours candidate Carlos Menem tried unsuccessfully to cool off another conflict within his ranks, an event that is being repeated almost weekly. This time Saul Ubaldini, who for some time has been little heard from and is powerless to trigger a strike against the economic plan that most bothers Justicialism, revived a stale and jumbled 26-point economic and social document in a bid to condition the Peronist candidate with these guidelines.

The "Renewal" rebels Jose Luis Manzano and Jose Manuel de la Sota pursued the same strategy a little more than a week ago, and with good reason: the former "25" combatants, the undying boosters of the labor movement, are settling in astride the "Ubaldini faction" and this up-and-coming political sector.

Menem, Duhalde and the labor leaders of the "15" alike cautioned that the CGT [General Confederation of Labor] document must be revised and, to a greater or lesser extent, they downplayed its technical merit. With good reason, no doubt, because the teams of the CGT have never in their entire history come up with a happy or innovative idea in economics, just complaints.

As for individuals, the CGT's input is readily forgettable, a generous expression that spares us from recalling anyone. Hence, Ubaldini, overwhelmed by this reality, yesterday signed a communique touting his own and the CGT's contribution to society.

Besides being an attempt to make news, the internal feud reflects other realities: the advance or lack thereof by a given union bloc, the hegemony of the private-sector or public-sector unions, Ubaldini's long-standing battle for a share of power within Peronism that would mean favorable appointments or decisions for his sector. Intimidated by the springtime of the plan, his voice silenced with the government that gives him social

benefits, Ubaldini is finding more of a role in confronting the political sector of his party, Menem and company, and his colleagues in office.

He has his reasons. Or do you really think that he has forgotten Menem's snub of not attending the grotesque exhibition of the CGT on 9 September?

There are other reasons over and above these personal disagreements. Menem's union friends will in the future obviously enjoy the benefits of the CGT, whether alongside Ubaldini or in his stead. Along with these personal ambitions, there is other evidence: the sector of "the 15," which is not always united, seems to be putting pressure on the candidate, which implies passing over other leaders.

But the crux of the internal feud, in the union arena, revolves around the people who insist that the powerful public-sector unions (Ubaldini's allies) prevail in the future and the others who are backing an economic plan that is based more on the development of the private sector and, consequently, of the unions that make it up. There lies the substantive difference today: the de facto pact that Domingo Cavallo is promoting with the private unions and his concern about cutting government spending if he accompanies Menem in government. The other sector, the other economists, are sticking to a statist (Ubaldini) approach that pays no attention to spending, because therein lies the strength of the unions, the continuity of certain leaders.

Bolivia

* Aranibar Views Military Role, Leftist Unity

33480097b Cochabamba LOS TIEMPOS in Spanish 8 Jan 89 p B-2

[Text] La Paz, 7 Jan—"The nation's armed forces have a leading role to play in the current political and democratic situation. It is not merely a question of guaranteeing the economic policy of this or that government, but rather, of an attitude of subordination to civilian power and full participation in national development." These concepts were formulated by the presidential candidate of the United Left (IU), Antonio Aranibar Quiroga.

In exclusive statements made to LOS TIEMPOS, the political leader formulated specific criteria concerning the role which the nation's armed forces should play in the current democratic and electoral process.

Conduct of Armed Forces

Aranibar Quiroga began by maintaining that the United Left and the people's forces of the country have been observing the conduct of the armed forces closely and have come to the conclusion that that conduct is rooted "in the young officers and the troops themselves, an attitude of respect for the democratic process that must be expressed in a loyal, legitimate and constitutional manner by the high commands."

He categorically stated that "on more than one occasion, the mission of the armed forces in a democracy has been confused with subordination to the interests of the government in power or of the oligarchy. Here there can be no question," he emphasized, "of having the armed forces guarantee or back the economic policy of this or that government. Rather, the institution has a role to play in a democracy, which is one of subordination to the civilian government."

Nevertheless, Aranibar Quiroga clarified that the participation of the armed institution in the process of national government is important and "it is in that direction that we believe there is a tradition in the armed forces of participation with the people's united efforts. Even if that tradition can still be considered a minority, it is continually expanding, so that its role will be one of a complete guarantee of the democratic process for the future," he remarked.

Aranibar Quiroga was asked whether he thought there were leftist military men in the armed forces, to which question the leader of the United Left gave this reply: "I believe there is a patriotic trend inside the armed forces, just as there is in all of Bolivian society, and in that sense," he added, "there is no institution not crisscrossed by this effort of patriotic recovery, which basically is one way of building the country from the angle of its deepest interests and which is present in the armed forces and the rest of society."

Unity of the Left

Aranibar Quiroga later referred to the need to deploy the maximum effort to continue the difficult task of uniting the national left once and for all, particularly those factions that are still scattered and that do not have a compass for going into the general elections of 7 May of this year with any definite possibilities.

"The United Left is not a completed project closed to the people's political trends that for one reason or another have not joined in the project," he said. "We are convinced of the strategic and tactical need for unity of the people, and that unity depends on their main representative organizations in the political, economic and social fields. Consequently," he emphasized, "the United Left remains open and ready for the incorporation of other people's forces and will make positive efforts to enable that incorporation and unification to take place."

Aranibar Quiroga was asked his opinion about whether in the national political process, it is easier for the right to unite than the left. He replied that in 1988 and 1989, a clear reversal of the traditional attitude and behavior of the common political trends is occurring. "What we

them a greater concern over the people's concrete difficulties, instead of engaging in abstract discussions. Considering that many Christians are also members of the PCCh, greater respect and tolerance are demanded between believers and non-believers."

Sanfuentes was also consulted about criticism made of the debate system used to hold discussions within the PCCh. This system, which does not accept an egalitarian debate at the cell level, prevents the establishment of a current strong enough to oppose the Central Committee's opinion. Commenting on this fact, Sanfuentes said: "The party congresses have this type of debate at each level, starting from the base."

He said the current laws prevent a greater openness in the Communist debates. He recalled that after the publication of the document calling for the congress, the Interior Ministry filed a suit against four PCCh spokesmen, including himself. He also pointed out that EL SILGO, the official PCCh newspaper, is still banned.

"It must be made clear that all, absolutely all, topics will be discussed at the PCCh congress. The great majority of the PCCh militants agree with the party's current line not because the party imposes its ideas on them or because they are used to approving the reports presented by the Central Committee. They agree because the party line has been drawn essentially based on the party members' ideas."

Debate on "Democratic Centralism"

Commenting on the topics that created the greatest dispute, Sanfuentes said: "One of them was the party's life, and particularly democratic centralism, which the PCCh believes to be fundamental." Democratic centralism consists of the duty of all Communists to accept the Central Committee's political line and decisions.

"The way the democratic centralism principle is applied has been harshly criticized because the old premise, that 'there is more centralism in dictatorial times and more democracy in the party when there is more democracy in the country,' is now believed to be obsolete. This premise is really absurd. Democracy is probably more necessary in the hardest times because more minds think better than only one. Summarizing, the solution is not to have more centralism or more democracy. Both things must permanently coexist."

Sanfuentes believes there must be free debates within the party, "but once the decisions are made, it is up to the Central Committee to implement them. From then on, the party as a whole must accept these decisions, as if they were only one person."

Relations With the Armed Forces

Special attention has been given to the relations the Communists intend to maintain with the Armed Forces and the forces of order. In this regard, Sanfuentes pointed out that these institutions must be made "more modern and democratic."

"To make them more modern means to reassert their role as sponsors of our national defense and not simply as guardians of the interests of a certain social sector," he explained. "It means they should be deployed throughout the country and not concentrated in the urban areas, thus abandoning the national borders. It also means to improve the capacity of their personnel, by reducing their number together with the number of weapons, which should have their quality improved."

Sanfuentes said: "To make the Armed Forces more democratic means to replace the National Security doctrine; to make the Armed Forces part of the national economic, social, and cultural development process; to give all men of arms the right to be citizens and thus the ability to express their political opinion and elect the national authorities. The principle of one man one vote should also be applied to the military." Sanfuentes made clear, however, that this does not mean to change the military institutions' chain of command.

Opposition Unity

Regarding the ways in which the PCCh would take part in an opposition government if one were elected, Jose Sanfuentes emphasized the need to achieve an effective and broad unity of the opposition sector.

"What is fundamental to us is to put an end to dictatorship," he said. "The next elections, which will not be held in absolutely democratic conditions, will give us the opportunity to defeat, all together, the Pinochet regime. In this sense, the Communists unanimously agree that the regime's intention of perpetuating itself in power must be frustrated. It is also agreed that no party or sector can be excluded, and that the participation of all parties that fought the Pinochet system must be ensured."

In the event this broad agreement does not become a reality, Sanfuentes asserted that the left will maintain an independent position "to be able to support the positive actions of the next administration's officials, and to criticize all that goes against the interests of the people."

He added: "We are not too concerned about who will head the next administration, as long as he is chosen by consensus. It may be Aylwin, Hales, Silva Cimma or any of a dozen other names that have not come to the people's attention. What really matters is that this majority movement unites around a really democratic program."

Referring to the PCCh strategy in the face of political events in the short term, Sanfuentes said the PCCh will support the "social mobilizations" to be staged this year, and will particularly support the national strike that will possibly be called by the labor unions.

Teitelboim Returns, Defends PCCh Policy

PY0704144789 Santiago EL MERCURIO in Spanish 1 Mar 89 p A-8

[Text] Volodia Teitelboim, a leader of the outlawed PCCh, yesterday stated that there are no reasons for the PCCh to modify its current policy of "popular rebellion," emphasizing that this strategy also includes the participation of the PCCh in the presidential elections.

Teitelboim made this remark to journalists upon arriving in the country at midnight on 28 February. Teitelboim, who came from Buenos Aires on an Aeroperu commercial flight, has spent almost 4 months abroad.

After confirming that he will stay in the country, the member of the PCCh political committee said that he will not run in any elections because Article 8 does not allow it.

He said that the PCCh will maintain its political line, which is "very clear."

Teitelboim said that the PCCh does not own the Manuel Rodriguez Patriotic Front, nor does it guide its activities. He made it clear, however, that the PCCh does not condemn these activities or reject those who risk their lives in the quest for freedom and democracy.

He said that he agreed with Patricio Aylwin's precandidacy but added that it should be analyzed along with the other nominations proposed by the opposition.

Teitelboim also said that the policy of the PCCh of "popular rebellion" also "includes the participation of the PCCh in the elections," and "all ways of struggle and actions in support of freedom and democracy."

Teitelboim concluded by saying: "There is no reason why the PCCh should change a course that calls for the social mobilization of all the people to recover freedom, democracy, and a better life."

Communist Youth Rules Out 'Hit Squad' Creation

PY0704181489 Santiago EL MERCURIO in Spanish 25 Feb 89 p C-2

[Text] Leaders of the Ramona Parra Brigade (BRP) a branch of the Communist Youth, have ruled out the possibility of creating hit squads, adding that "although the issues have been discussed, we have ruled it out because we have no intention of playing into the hands of ultrarightist paramilitary groups."

During a news conference on 24 February, BRP spokesman Rodolfo Aravena reported that 30 BRP branches were created and 150 new permanent members were accepted in the cities of Arica and Valdivia. Aravena recently toured these cities as part of a program designed to lend support of the 15th PCCh National Congress which is being clandestinely held.

According to Aravena, 21 people participated in the campaign aimed at promoting "mass wall painting sessions thoughout the country."

Aravena noted that the BRP currently has 500 members and that their main task is to carry out street propaganda. He added that, although the BRP is a branch of the Communist Youth, it also accepts members from other political parties as well as independent youths.

Aravena stated that the BRP is supported by private individuals, "especially hardware store owners who show interest in our tasks and provide us with supplies." The BRP has also created handcraft workshops which provide important resources to finance its activities.

It has been finally reported that BRP leaders and relatives of Salvador Cautivo, who was killed under strange circumstances on 31 December 1988 while engaged in wall painting on a street in Arica, will file a complaint against the military prosecutor who is handling the case, on charges that he has delayed the proceeding.

FPMR Faction Blamed for Carabinero Killings

PY0704022989 Santiago Radio Chilena Network in Spanish 2200 GMT 6 Mar 89

[Text] General Gabriel Ormeno, director of the Carabineros Order and Security Deparment, today reported that the murder of two carabineros in Quilicura was committed by a new faction of the Manuel Rodriguez Patriotic Front [FPMR], which is made up of people who have returned from exile.

Ormeno said that no arrests have been made yet, but that they have been identified, especially a woman. Regarding the woman, Ormeno said it has not been fully established whether she participated in the killing of other policemen.

Ormeno made these comments at the conclusion of a class that opened the school year at the carabineros school. The class was entitled: eventual problems of public order in the face of the upcoming presidential and congressional elections. Ormeno said the carabineros must be arbitrators in the process in which the rights of the political parties must be balanced against the rights of the community in order to prevent the community form being affected and also to allow economic and social activitiy to develop normally.

Protesters Leave Australian Embassy

PY0403210689 Santiago Domestic Service in Spanish 1600 GMT 4 Mar 89

[Text] The three workers who had occupied the Australian Embassy to protest the dismissal of about 100 workers from the Chilean Telephone Company have been dislodged. Chilean Telephone Company union leaders reported that the workers were forced to leave the embassy by order of Australian Ambassador Malcolm Dan.

The union leaders reported that the three workers were deceived into leaving the embassy and then were left a few blocks away from the diplomatic mission. The union leaders will report the case to international organizations.

Zairian Official Seeks Socioeconomic Exchange

PY0704143789 Santiago EL MERCURIO in Spanish 26 Feb 89 p C-4

[Excerpt] During his visit to Chile, Mokolo Wa Mpompo, the Zairian state commissioner for public work territorial planning, held a meeting with Las Condes acting mayor Raul Alvarez Cruz. Mokolo Wa Mpompo is heading an entourage made up of Zairian officials who are visiting Chile to promote bilateral socio-economic relations. [passage omitted]

Cardoen Builds Cannons With RSA Manufacturer

PY0403203289 Santiago Domestic Service in Spanish 1600 GMT 4 Mar 89

[Text] The first 155-mm cannon built entirely in Chile has been manufactured by the Chilean company Cardoen and the South African company Armscor. This artillery piece is considered to be one of the most sophisticated of its kind in the world because of its highly developed technology, its rapid firing capability, and its range of more than 35 km.

According to Cardoen, the coproduction of this weapon represents access to foreign technology that was not possible in the past. Cardoen reported that the new cannon will be produced entirely for the international market, with a production level of 400 units—including both self-propelled and non-self-propelled models [no period of time—as heard].

Pharmaceutical Association Criticizes Patent Bill

PY0703201689 Santiago Television Nacional de Chile in Spanish 1700 GMT 7 Mar 89

[Text] Jose Antonio Plubins, the president of the Association of Pharmaceutical Manufacturers [Asociacion Industrial de Laboratorios Farmaceuticos, ASILFA], has reiterated that the price of medicine will increase if the law on patents is approved.

Jose Antonio Plubins said the pertinent bill is supposedly in the hands of the Executive Branch, and that it will be submitted to the government junta when the legislative period begins.

The ASILFA president disclosed a report by the U.S. Congress, questioning the pharmaceutical patent system as a result of the arbitrary increases in the price of medicine.

Plubins recalled that the purpose of the law on patents is to establish a monopoly in the pharmaceutical industry. He said this is due to the pressure exerted by the transnational laboratories through their governments.

Colombia

Reportage on M-19 Government Meeting in Mexico

Guerrilla Leader on Meeting

PA0703042889 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 6 Mar 89

["Exclusive interview" with 19 April Movement leader Antonio Navarro Wolff by Javier Solorzano "yesterday"; place not given—recorded]

[Text] [Solorzano] The Colombian Government and the 19 April Movement [M-19] recently met in Mexico. Which of the issues you discussed do you think will be important in opening up the democratic process in Colombia?

[Navarro] The events that took place on 3 March at Eldorado Airport in Bogota [the assassination of Patriotic Union leader Jose Antequera] were the focal point of the meeting. This attack was a violent action aimed at the very heart of a process that is just beginning. It was a provocation that sought to halt this process.

As a result of the meeting, first, the parties reiterated their willingness to continue the process, adding that the process is alive and is moving forward.

Second, the parties identified political murderers as the worst enemies of Colombian democracy today and stressed the need to overcome them.

The meeting, therefore, resulted in a decision to continue the process and to make the problem of political murders a focal issue. We will see the results as this is put to practice. The government and the M-19 have made a joint declaration in this regard. We have proposed extraordinary measures. Let us see if these words can become deeds. We hope so.

[Solorzano] [Words indistinct] the M-19? In other words, how would you describe this? Some may consider a dialogue a step backward. Others feel it is a great step forward. How is this situation perceived within the M-19?

[Navarro] We are revolutionaries. We see revolution as transforming the society in which one lives. I think we have matured as revolutionaries today more than ever. A revolution has to be an act of genius, a creative act. A man's genius does not lie in his brilliance but rather in his mental ability to test, to experiment, to explore, to demystify, [words indistinct], to imagine. We as M-19 members are once again trying out new things, at great political and personal risk, with the obligation of generating a new climate.

[Solorzano] What is the M-19's connection with drug trafficking? Is there any connection? Is it true what is said in U.S. magazines? Is the government trying to look good at your expense? Unfortunately, the world presently equates Colombia with drug trafficking.

[Navarro] We should separate the two problems: M-19 and drug trafficking, and the drug trafficking problem itself. Let us begin with the first problem. A U.S. newswoman from the DEA recently published a book entitled DESPERADOS—actually, she is not from the DEA but it is a DEA version.

[Solorzano, interrupting] DESPERADOS?

[Navarro] Right, in English it means bandits, bandits of the west. The book maintains that rather than having a real value, all charges linking the M-19 and drug trafficking have more of an ideological value—as an ideology manual of the U.S. Administration. The following statement is made: It corresponds....[changes thought] Facts are not taken into account, or rather the absence of facts, because there are no facts. There is not a single fact proving the M-19 is linked with drug trafficking. I think that if these people, DEA people, are beginning to say this, there have been contradictory statements. Of course, I think it is beneficial for the Reagan administration to create this alleged image, because it would ease their intervention in Colombian affairs.

[Solorzano] How does the M-19 perceive the Latin American situation?

[Navarro] We see Latin America and South America as a continent boiling over. It looks like a pot where bubbles are reaching the surface. Javier, if you look around, you see Brazil will probably have a left-wing president after having a military dictatorship. Argentina will have an authentic Peronist as its next president. In Chile and in Paraguay, dictatorships are opening the way to new regimes, but it is not known exactly where they are heading. The next Peruvian president will probably be Alfonso Barrantes, who is a Marxist. In Colombia, the oligarchic regime we have had since the last century will have to break apart and open the way to a democratic regime. We are finishing this century with a continent boiling over, a continent producing a kind of melting point in which Latin America is searching for a way of political expression. I feel we are at a moment that can only end in a transformation of Latin American political models in which each country, with much effort, is making innovations in some way.

[Solorzano] Recently, the Farabundo Marti National Liberation Front and the political parties held a meeting in Oaxtepec. A possibility has been opened for the M-19 and the government to meet in Mexico. What are your views on this matter? I am not saying this so you can respond with courtesy, as we say in Mexico. What are your views from a Latin American strategical point of view?

[Navarro] The truth is the government and the M-19 both chose this path because, historically, Mexico has been the most favorable place because of its foreign policy, its cultural influence over Latin America, because Latin America begins here, and because Mexican television reaches so many countries—because we are very close in our culture, and because Mexican people are very Latin American. It has been natural for us to come here; we find this very natural. Therefore, I feel that when something is natural, there is no need to discuss it, and when something flows, it is is because it is real. Mexicans should feel proud because they have continued playing a role that at times is like being our older brother. As long as things continue as they are at present, we will always be happy to return to Mexico and find a part of our country here.

[Solorzano] Thank you very much Antonio.

3 Guerrillas 'Out of Hiding'

PA0703174389 Paris AFP in Spanish 1648 GMT 7 Mar 89

[Text] Bogota, 7 Mar (AFP)—Three guerrillas of the leftist 19 April Movement [M-19] today came out of hiding and appeared in Bogota to announce that they "are willing to discuss peace."

Alberto Caycedo, Hector Pineda, and Alfonso Cabrera told reporters that they had left the mountains by order of M-19 Commander Carlos Pizarro Leongomez, who is involved in the peace negotiations with the Colombian Government.

The M-19 is the subversive group responsible for the 1985 attack against the Palace of Justice in Bogota, which left some 100 victims, including 11 Supreme Court magistrates.

Caycedo, Pineda, and Cabrera revealed that they are part of a group of 12 M-19 members who will leave the mountains to hold peace negotiations with President Barco's liberal administration. The three guerrillas are being protected by intelligence police (F-2) members.

Pineda, who was an architect before joining the guerrillas, said: "We have come because we think it is possible to save Colombia from a holocaust. We can save the nation through political dialogue."

The M-19 is holding talks with President Barco's government and hopes to soon gain legal status as a new political party. It had gone into hiding in July 1985, after unilaterally breaking a truce it had signed in August 1984.

Joint Statement Issued

PA0703234189 Bogota EL SIGLO in Spanish 6 Mar 89 p 6-A

["Text" of joint statement issued by Rafael Pardo Rueda, presidential adviser for reconciliation, and 19 April Movement leaders in Mexico City, Mexico on 5 March]

[Text] Rafael Pardo Rueda, presidential adviser for reconciliation, his fellow delegation members, and 19 April Movement [M-19] leaders Antonio Navarro Wolff, Gerardo Ardila, Rafael Vergara, and Ruben Carvajalino, all of whom live outside Colombia, met in Mexico City on 3 and 4 March 1989. The following conclusions were reached:

1. A political solution to the armed conflict in Colombia can still be achieved through specific joint actions by the government and the M-19 and with the cooperation of the political parties represented at the National Congress. This process, which started several months ago, falls within the framework of the declaration signed by Pardo and M-19 General Commander Carlos Pizarro in Colombia on 10 January.

In this declaration, specific criteria, conditions, and alternatives were established for a dialogue whereby, as it was said at the time, an agreement could be reached on a political solution to the Colombian conflict. This solution should clearly set a course toward full democracy and the disbandment of guerrilla groups, the latter action to include the necessary guarantees.

2. This specific opportunity for a dialogue remains open so all the groups forming the Simon Bolivar Guerrilla Coordinating Board can join the talks. For this reason, we again call on these organizations to express their willingness for peace through action. The unilateral cease-fire declared by the Revolutionary Armed Forces of Colombia, FARC, on 28 February is a significant step toward this goal.

3. The mechanisms agreed upon to advance the process included a "working meeting" to be attended by the government, the political parties represented at the Congress, and the M-19. This meeting would establish an agenda for a direct dialogue and the procedures for the participation of other sectors of the country in the peace efforts.

We attach the greatest importance to this "working meeting" because political assassinations—which are the leading obstacle to democracy in Colombia—and the possibility of making steady progress toward a political solution would get priority attention.

Solving this problem requires the cooperation of the entire nation. Therefore, all of us who will attend this "working meeting" should contribute, with intelligence and determination, specific formulas for Colombian unity in order to end this scourge.

Political assassinations, which were broadly discussed at the Mexico City meeting, are included on the working agenda agreed upon by the government and the M-19 and will continue to be analyzed.

Regarding this, the M-19 made several political and legal proposals that the M-19 will present at the "working meeting."

It is hereby reported that several M-19 members currently residing abroad will join the organization's spokesmen in complying with the accords signed by the government and the M-19.

4. Having learned of the grievous events in which Patriotic Unity leader Jose Antequera was treacherously murdered and Liberal Party senator Ernesto Samper Pizano was wounded, those who attended this meeting hereby repudiate and condemn this new outbreak of violence that threatens to thwart our people's desire for and determination to achieve a negotiated solution to the conflict.

Reaction To Attack on Senator, UP Leader

PA0703204589 Bogota EL TIEMPO in Spanish 5 Mar 89 pp 1, 8-A

[Report by unidentified EL TIEMPO staff reporters]

[Excerpts] The idea that the wave of violence rocking the country has to be treated more forcefully is gaining strength following the 3 March attack at El Dorado Airport on Liberal Party Senator Ernesto Samper Pizano and Patriotic Union [UP] leader Jose Antequera. [passage omitted]

The authorities do not have any precise information about those responsible for the bloody attack in which Antequera was killed. The police believe that a man who also died in the attack was one of the gunmen. The F-2 [intelligence service] reached this conclusion after doing a paraffin test on the body of "Alfredo Gomez"—the name on the dead man's airline ticket—which showed that "Gomez" had fired a gun just before he died.

The authorities have not ruled out the possibility that the four gunmen who carried out the El Dorado Airport attack are the same who killed Teofilo Forero, secretary of the Communist Party of Colombia Organizational Department, his wife, and two other persons in a southern Bogota neighborhood.

The airport attack has also caused anxiety among the people. Many people who were interviewed by EL TIEMPO have said: "We can no longer go anywhere."

Fabio Valencia Cossio, a former Conservative Party chairman, has gone as far as to ask for President Barco's resignation. The former Conservative Party head said the government has been ineffective in controlling violence.

The military point of view has been expressed by former Defense Minister Fernando Larrazabal, who suggested the implementation of drastic measures, such as "a military solution" to the political conflicts the country is enduring. [passage omitted]

Drug Traffickers Linked

PA0803034489 Madrid EFE in Spanish 0037 GMT 8 Mar 89

[Text] Bogota, 7 Mar (EFE)—Colombian police sources today reported that right-wing drug traffickers are behind the "extermination plan" against the country's leftists, based on the indentification of one of the gunmen who killed communist leader Jose Antequera on Friday.

So far in 1989, approximately 500 leftists have been killed. Since 1985, when the Patriotic Union [UP] was founded, approximately 1,000 of its members have been assassinated.

The fingerprint department of the F-2, a Colombian National Police unit, identified only one of the assassins who was killed as Luis Fernando Mona Hincapie, 22, from Medellin. He was shot to death by the bodyguards of Antequera and Liberal Senator Ernesto Samper, who was wounded in the attack.

Mona Hincapie, who was wearing a scapular with a picture of the Virgin Mary on it, took part in the attack while using the alias "Alfredo Gomez," according to an airplane ticket found on his body. He shot Antequera and Samper with an Ingram submachinegun.

The secret police determined that Mora Hincapie, a bricklayer's son and high school dropout, was a "professional killer." Several years ago he was involved with the "Priscos" murder gang, which was accused of murdering Bogota's EL ESPECTADOR editor Guillermo Cano in December 1986.

The "Priscos" are a gang of hired gunmen who have often been linked to the "Medellin Cartel," a mafia-type organization accused of shipping to the United States 80 percent of the cocaine consumed there.

Pablo Escogar Gaviria, the number one man in the "Medellin Cartel" who was indicted for ordering Guillermo Cano's murder, was the one who hired the "Priscos."

The murder of Jaime Pardo Leal, UP founder and first president, on 11 October 1987, was also attributed to henchmen allegedly paid by Gonzalo Rodriguez Gacha, alias "The Mexican," the Medellin Cartel's chief of operations.

Experts estimate the Colombian drug traffickers' net income to be as high as $4 billion. Some of that money is invested in cattle and farming ranches and in financing paramilitary organizations and gangs to protect their farms and ranches from guerrilla attacks.

This situation has given rise to the term righ-wing drug traffickers, since the drug traffickers who have invested in farms and cattle appear to have ties to the traditional ranchers and Army and police officers in an effort to jointly attack the guerrillas.

The investigation of Pardo Leal's murder revealed that several telephone calls were made from the Rodriguez Gacha home to military and police units immediately before and after Pardo Leal's murder.

Phone calls were also made to the home of William Infante, believed to be the mastermind of the murder. He is now serving a life sentence in the United States on drug trafficking charges.

Pablo Escobar Gaviria, Rodriguez Gacha, one Army officer, one police officer, one mayor, and several others were accused on Monday of the mass murders of leftist peasants, and warrants were issued for their arrests.

Leftist Leader Buried

PA0803050989 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 8 Mar 89

[Report by Miguel Angel Flores]

[Text] Leftist leader Jose Antequera was finally buried today, 4 days after his death. The funeral procession, in which approximately 5,000 people participated, was allowed to march between the council building and the Central Cemetery. Area stores closed their doors during the procession.

Despite fears of possible disturbances and amidst very heavy security, the procession took place peacefully, interrupted only by the shouting of slogans from mourners against the alleged impunity of the assassins of Antequera.

Patriotic Union [UP] leaders criticized the Barco administration for failing to fulfill its constitutional duty of protecting the lives of Colombians.

[Begin recording] [Communist leader Manuel Cepeda] And this is why the accomplice government of Virgilio Barco does not lay hands on paramilitarism. [Words indistinct] the Defense Ministry comes between justice and genocidal military leaders.

[UP leader Diego Montana] We urge Colombians, liberals, conservatives, socialists to [words indistinct]. [applause] [end recording]

Although authorities feared that a guerrilla infiltration of the area could provoke disturbances, only an M-19 flag was placed at the Central Cemetery.

Toward the end of the funeral, the crowd was dispersed by a heavy rain that flooded several capital city neighborhoods.

Arrests Made in Molina, La Rochela 'Massacres'

PA0603131989 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 2 Mar 89

[Report by Jesus Garzon]

[Text] Three persons have been arrested for alleged involvement in the Sasaima and La Rochela massacres. Twenty-four hours after the murder of emerald dealer Gilberto Molina and 18 other persons in Sasaima Municipality, the Cundinamarca police captured the suspected leader of the killers. The authorities identified the man as Eibar Lopez Medina. He was taken to a Bogota prison this morning. The Cundinamarca police also seized weapons, ammunition, Armed Forces' uniforms, FARC propaganda, and several private cars. According to the police, Lopez Medina was arrested at the San Nicolas farm in Sasaima.

The DAS [Department of Administrative Security] also reported the capture of two more suspects in the La Rochela massacre, in which 12 judicial officials were murdered. Captured were Julian Jaimes, believed to be the head of the Death to Kidnappers movement, and Indalecio Murillo. Both were jailed at La Picota National Penitentiary this morning.

With the arrest of these two suspects, eight persons are under detention for alleged involvement in the La Rochela massacre.

* Government Sets Economic Goals for 1989

* Projections Made

33480099 Bogota EL ESPECTADOR in Spanish 11 Jan 89 pp 1-A, 10-A

[Article by Efrain Pachon]

[Text] With strict monitoring of the cost of living and the correction of the imbalances that occurred in 1988, the government has set the economic targets for this year. The targets focus on the reduction of unemployment, the strengthening of the external sector, the control of the budget deficit, and the recovery of the gross domestic product (GDP).

To achieve these objectives, according to the guidelines set down by the Barco administration, an effort will be made to prevent continued problems with declining food supplies and the lack of financing for private activity.

A document currently being prepared by the National Planning Department states that the growth of the economy as a whole should reach 4.5 percent in 1989, higher than the 4.2-percent growth rate of the immediately preceding year.

It is estimated, however, that the GDP will continue performing more poorly than it did in 1987, when it grew at a rate of 5.4 percent. That rate was the highest in the decade and was close to the average for the 1970s.

The unemployment rate, which last December amounted to 10.2 percent for the four principal cities in the country, is expected to drop to 9.8 percent.

As for inflation, which was the greatest failure in the management of the economy in 1988, it is not expected to exceed 24 percent. Last year it totaled 28.12 percent, the highest rate in the last 10 years.

To reach this latter objective, strategies aimed at boosting agriculture-livestock production and making timely imports of mass consumption items will be pursued.

One of the greatest failures of 1988 was the delay in the importation of foodstuffs that were needed to meet domestic demand.

The budget deficit of the public sector will remain at a similar level to that of 1988, and it is not expected to exceed 2.6 percent of the GDP.

International reserves, which rose by $300 million in the last year, are projected to rise by another $160 million to approximately $3.9 billion.

The government's intention is to maintain enough foreign reserves to guarantee about 9 months of imports of raw materials and components.

As for financing from international banks, disbursements are expected to total $2.6 billion.

The balance of the public foreign debt should be $15.1 billion by the end of 1989.

More Projections

Other projections are as follows:

- Growth in the value of exports, in dollar terms, of 14 percent
- Increase in imports, in dollar terms, of 9 percent
- Nominal increase in public revenues of 38 percent
- Nominal increase in public investment of 38 percent
- Growth of net external indebtedness of $800 million

With regard to the devaluation, it has been revealed that the policy of the last few years will be maintained for the purpose of preserving a constant real rate that will keep pace with inflation.

On the coffee front, a significant recovery is expected, especially because of the rise in the export quota and the improved external prices for the product.

The government projects that with the increase in sales percentages that have been allotted it under the rules of the International Coffee Organization, and with average prices ranging around $1.80 per pound, revenues should total approximately $1.8 billion.

"No major changes will be made in the management of the economy for 1989. However, there will be stricter adherence to the various policies, especially that of the cost of living. The central objective is to consolidate the economic recovery of the last few years," stated a highly placed source on the government economic team.

* Views of Finance Minister

33480099 Bogota EL TIEMPO in Spanish
2 Jan 89 pp 1-A, 8-A

[Interview with Finance Minister Luis Fernando Alarcon Mantilla by Carlos Pineros; date, time, and place not given]

[Text] Congressmen called for his head during the first year. Almost everything he proposed was approved in the second year. This was a surprisingly quick turnaround that shows how adroit he has become at managing his relations with Congress.

He has a mixture of well-grounded technical expertise and political agility, traits which would give him a good chance of winning if he were to seek a seat in Congress.

This would undoubtedly be an attractive move, but he does not succumb to temptation. Luis Fernando Alarcon Mantilla knows his captive followers: one vote, that of his wife Luz Stella. And perhaps those of two or three friends, but that's all.

[EL TIEMPO] Why was the government so wrong in its projections of the rise in prices during the year?

[Alarcon Mantilla] No matter how clairvoyant it may be, it could not predict an excessive increase in food prices because of the abrupt climatic changes in the first half of the year.

[EL TIEMPO] But even setting aside food prices, the increase was very large.

[Alarcon Mantilla] If inflation was projected to be no more than 20 percent in 1988 (and it will be a little over 27 percent), the prediction was made on the assumption that the minimum wage would not be readjusted by more than 22 percent. In fact, it was raised by 25 percent.

The third factor in the problem was the excess amount of money in circulation left over from 1987. The commentarists do not understand that the change in circumstances makes the targets vary.

[EL TIEMPO] What are they for this coming year?

[Alarcon Mantilla] For 1989 the top priority is to obtain a substantial reduction in the rate of inflation. We will redouble all our efforts, without restricting the growth of the economy, to return it to the average for the last 15 years, around 20 percent.

The first official estimate of inflation for 1989, 23.5 percent at the most, has already been revised because of new developments. It was based on a 25-percent readjustment of the minimum wage, which ultimately went up by 27 percent. As a result, the price index will be slightly higher than indicated.

[EL TIEMPO] Can the downturn in the economy that the trade associations are talking about help moderate the high cost of living?

[Alarcon Mantilla] Indeed. But the goal is a good growth of economic activity and prices under control, with a careful monetary policy.

[EL TIEMPO] But people are already sounding the alarm about symptoms of recession.

[Alarcon Mantilla] That is an exaggeration. Although the national product will grow by around 4 percent this year, if we take away petroleum and coffee it will be higher than the rate of the last 2 years: 4.9 percent. The 6-percent decline in coffee, the 10-percent drop in "trilla" coffee [beans picked up off the ground, of inferior quality], and the increase of just 5 percent in mining (because of the attacks on the pipelines) prevented the GDP from climbing higher.

The agriculture-livestock sector, excluding coffee, grew by 5 percent; the industrial sector without "trilla," 5.8 percent; and mining, 5 percent, compared to 26 percent in 1987 and 72 percent in 1985. There has been a slowing down in some consumer product sectors, because the loss of buying power of wages has been faster than in previous years. This is one aspect whose results are not satisfactory. For this reason, the great priority in 1989 has to be to lower the inflation rate.

Smuggling has been another aggravating factor, because of Venezuela's and Ecuador's exchange policies. Except for the inflation target, the others were met satisfactorily. Exports were down and reserves grew by more than predicted. The budget deficit will be less than 3 percent of the GDP. Unemployment fell to 10 percent.

There should not be any structural reasons to indicate that some sectors which slowed down toward the end of this year will not regain their dynamism in 1989.

At the last minute it was possible to define the basic terms and conditions for obtaining external financing so that the debt payments can be made in 1989 and 1990. In addition, the way has been paved to make available the resources we will need to continue executing the programs and investments to which the government has committed itself.

The economic policy must be oriented toward achieving a growth rate of between 4 and 5 percent, consolidating the external sector with adequate growth of minor exports—a key aspect—and controlling inflation.

The reduction that will necessarily occur in inflation, particularly during the first 6 months, is consistent with achieving an economic growth rate similar to that of recent years.

[EL TIEMPO] The new Budget Statute provides for the possible appropriation of public entities' profits by the nation. Some think these entities may hide their profits. Isn't there a risk that the fiscal gap will widen?

[Alarcon Mantilla] The profits of the Colombian Petroleum Enterprise (ECOPETROL) will not be large. The transfers to the government will not be, either. Moreover, the mechanism of transfers will lend greater flexibility to fiscal management for the governments of the future.

[EL TIEMPO] And greater power to the finance minister?

[Alarcon Mantilla] No. This will not be a superminister, as many believe. On the contrary, his leadership is diminished with the participation of other ministers and the economic secretary of the presidency on the Superior Council on Fiscal Policy.

[EL TIEMPO] Is external credit being used for operating expenses?

[Alarcon Mantilla] No. The money comes to the investment budget.

[EL TIEMPO] But the proceeds from those loans go to the operating budget. Without those loans, there would be no proceeds.

[Alarcon Mantilla] These are financial yields from some resources on which the government begins to pay interest as soon as they are disbursed. They are legitimate and very different from disbursements for operations.

[EL TIEMPO] How did the year turn out in terms of coffee, and what lies on the horizon?

[Alarcon Mantilla] Structural changes have been made that lend more solidity to coffee policy. The new contract between the government and the Federation has been well received. The prospects are very good. The new quota system, prices, production, all suggest that the volume of sales will be greater than it was this year.

[EL TIEMPO] And what about oil exports?

[Alarcon Mantilla] It is to be hoped that reason will prevail among those who have been attacking oil exports, and that we can sell more than this past year. Prices are on the mend, which allows for reasonable optimism.

[EL TIEMPO] Have the factors that distorted economic policy in 1988 been overcome?

[Alarcon Mantilla] A new regulation of bank reporting to taxes was established by law. This matter is no longer cause for concern (annual movements under 120 million pesos will not be reported). Deposit insurance, which people have misunderstood, must be clarified. The law that is now being processed, which requires financial institutions to pay the entire premium, provides that clarification.

One would expect that once inflation is brought under control, interest rate controls will be a redundancy, and this will facilitate their regulation by market forces. And the 30-percent rate charged for monthly credit card purchases is serving its purpose nicely.

[EL TIEMPO] Why does the government claim to support the democratization of business ownership, while at the same time agreeing to dismantle the regulations that govern the democratization of bank ownership?

[Alarcon Mantilla] Democratization should be the result of policy and of economic development. It cannot be attained through regulation, as was attempted in the financial sector, but with postponement after postponement. There has been no negotiation of shares, nor have buyers or sellers emerged. This means facing reality. It is perhaps more effective in the long run to give incentives for institutional investors to link the savings of small and medium depositors, as has been provided in tax legislation.

[EL TIEMPO] How can the financial sector be brought back to health and reprivatized (70 percent of the banks are in government hands)? Will the bill on foreign investment in that sector, which is designed to facilitate this process, require an extended session of Congress?

[Alarcon Mantilla] If there is an extended session, there is no doubt that the bill must be included. The effort at recovery should not be limited exclusively to the public sector (it has provided some 300 billion pesos). The bill will contribute to that restoration of health. The sector has improved its profitability. It is in better shape than in the past, but more needs to be done.

[EL TIEMPO] Why is there reluctance to go into an extended session if there are bills that urgently require passage to solve problems like this one, and like the debt of the Medellin Metro?

[Alarcon Mantilla] The president of the republic is the one to decide on whether to call an extended session. But it is clear that there is a favorable atmosphere for doing so. It is true that there are some very important bills that are being processed.

[EL TIEMPO] To what extent are people right when they claim that Planning and Finance are centers of subversion?

[Alarcon Mantilla] That is an exaggerated observation. On the contrary, one could argue that achieving relative success in economic policy is a substantial contribution to the policy of peace and reconciliation. If the country were going through a crisis like that of other countries in Latin America, that would indeed be a disturbing factor. And those responsible for economic policy could be indicted.

[EL TIEMPO] But there are economic leaders who feel that the nation faces a cascade of taxes that will complicate development, employment, pacification...

[Alarcon Mantilla] When the tax reform of 1986 was analyzed, there was a consensus that it laid the groundwork for investment and growth in the productive apparatus. Some people even considered it regressive because it reduced some rates.

Law 43 of 1987, which required a mandatory investment in bonds to finance the military and the judiciary, is cited as a product of the misnamed cascade. The trade associations indicated at that time, in a great spirit of patriotism, that a higher contribution should be required. The finance minister had to go to Congress to ask that this contribution not exceed the possibilities of taxation.

The increase of the contribution that businesses must pay to the Colombian Family Welfare Institute (ICBF) from 2 to 3 percent of the payroll can be regarded as a new tax. But it should be noted that this is one of the most advanced programs for the redistribution of income and the rendering of a basic social service for the poorest sectors, for the children of those sectors.

The capital gains taxes and the taxes on luxury homes should not affect investment decisions or the productive sector. They are direct taxes, linked to the earning of extraordinary income by those who engage in speculative activities or receive extra income due to the appreciation of urban property as a result of public works projects, in the case of the capital gains tax. It is not true that this is a general tax. A fallacious argument is based on this.

The tax on luxury homes is a reasonable assessment on luxury consumption, which will have no effect on prices or costs. This is a redistribution mechanism to finance urban reform.

The link people are trying to make with the matter of the Metros (transportation) is also blown out of proportion. The government has proposed levying local taxes in the cities where the projects are being carried out. So it is not true that they are general taxes. If the proposals were not made, we would be postponing the solution until a time of even more dire straits. In short, they want people to believe that the government has thrown out its tax policy, but it has not changed.

[EL TIEMPO] But increasing the sales tax (IVA) by a point would affect the whole country.

[Alarcon Mantilla] This is a proposal by Congress to seek a solution, perhaps a more viable and balanced one. It is still under study. The parliament will have to decide how to divide up financial responsibility for the Metros. The executive branch has simply had the courage to bring to the fore a problem that must be solved.

Ecuador

Government, Guerrillas Release Joint Statement

PA0803010689 Quito Radio Quito in Spanish 2303 GMT 7 Mar 89

["Joint statement" released by the Ecuadoran Government and the Alfaro Lives, Dammit guerrilla group during a press conference held by Government and Justice Minister Andres Vallejo, Labor Minister Cesar Verduga, and guerrilla leaders Pedro Moncada and Marco Troya in Quito on 7 March; read by unidentified government official—recorded]

[Text] The Ecuadoran Government and the representatives of Alfaro Lives, Dammit, announce that talks in pursuit of social peace have concluded and that, as a result of this, they declare the following:

1. The Alfaro Lives, Dammit organization expresses its readiness to participate in the country's legal and political life without the use of weapons as a means of political action.

2. As convincing proof of this decision, the Alfaro Lives, Dammit organization announces to the country that it renounces all forms of armed action.

3. The Ecuadoran Government will guarantee the constitutional rights of the Alfaro Lives members in the same manner in which it is obligated to guarantee the rights of all Ecuadoreans.

4. The government reaffirms its commitment to advance, with the speed that the crisis requires, the national dialogue in order to reach an agreement that will

permit the reactivation of the economy, the achievement of social justice, the deepening of democracy, the affirmation of sovereignty, and the consolidation of peace.

A national agreement will be sought through debate and joint effort to make possible an equitable distribution of the benefits and sacrifices of the social struggle... [corrects himself] the struggle against the crisis. It will be achieved by finding practical means to face up to the acute problems of inflation, unemployment, and poverty.

The Ecuadoran Government expressly states that any violation by the Alfaro Lives, Dammit of any of the aforegoing provisions will morally and politically free the government from complying with this agreement.

Amnesty for AVC Prisoners To Be Requested

PA0803002389 Quito Radio Quito in Spanish 2300 GMT 7 Mar 89

[Text] Pedro Moncada, spokesman for Alfaro Lives, Dammit [AVC], has said that members of his group will soon request the National Congress to grant amnesty to AVC members held in various jails throughout the country. He said that now that the ACV has taken a legal path, we are able to demand that the National Congress grant amnesty to the 30 men and women known to be political prisoners. The AVC prisoners are facing trial for conspiracy, illegal possession of weapons, kidnapping, and bank robbery.

The group today reached an agreement with the Borja government whereby it has pledged to forsake the armed struggle and rejoin the country's political life.

Peru

Economy Ministry on Suspension of IDB Payments

PY0703232789 Lima Television Peruana in Spanish 1800 GMT 7 Mar 89

[Text] Peru has paid more than it has received from the IDB [Inter-American Development Bank]. This is the reason why the Peruvian Government has decided to suspend its payments to the IDB. This situation could change if new prompt-disbursement credits are obtained, the government has said.

The Peruvian Government has explained that the reason for stopping payments to the IDB is that the loan disbursements have been less than the payments to service the debt with the IDB.

The Peruvian Government has described as incorrect the statement that the suspension of payments to the IDB is due to the short supply of foreign currency and the treasury's lack of liquidity.

In a communique, the Economy and Finance Ministry states that by 31 December 1988 the balance of IDB disbursements was on the order of $124 million, and that Peruvian payments reached $310 million.

The communique states that, concerning the position of the debt with the IDB, it must be noted that the country has always given preferential treatment to the IDB. Thus, $86 million were paid in 1986 to service the debt, $97 million were paid in 1987, and $69 million were paid in 1988.

The communique states that the policy on obligations with international organizations is based on the fact that Peru must receive more than it pays to its creditor, in this case the IDB.

The Economy and Finance Ministry also reported that the Central Reserve Bank's international reserves increased by $52 million between the end of 1988 and 3 March 1989, and that tax revenues in 1989 have surpassed non-financial current expenditures by 17 percent.

The Economy and Finance Ministry also rejected the statement that the government does not have any investment program. It pointed out that some of the credit applications submitted to the IDB have been approved, while the approval of other credit applications is still pending. The Economy and Finance Ministry announced that credit applications with the IDB total $762 million.

The government states that the suspension of payments to the IDB could be canceled if new prompt-disbursement credits, involving a net positive inflow of money for the country, are obtained.

Alleged Murderers of Naval Attache Arrested

PY0603165989 Madrid EFE in Spanish 2030 GMT 4 Mar 89

[Text] Lima, 4 Mar (EFE)—The Antiterrorist Directorate of the Peruvian Police has announced that the alleged murderers of Captain Juan Vega Llona, the Peruvian Naval Attache, in La Paz on 6 December 1988, have been arrested. The names of the prisoners, however, are not the same as those supplied by the Bolivian police.

The Arequipa branch of the Antiterrorist Directorate showed to the press Jose Barrera, Victoria Quispe, Adolfo Palacios, and Gaby Ipocco, members of the Shining Path "annihilation squad" that is led by Rosa Ramos Campos.

Arequipa, the second largest Peruvian city, lies some 1,000 km south of Lima. The local police today released a report on the murder of the naval officer who had apparently served in antisubversive units in Ayacucho Department, southern Peru, some time ago.

The members of the Shining Path annihilation squad were arrested in Tacna, near the Chilean border where they went after killing the Naval officer in La Paz.

According to the Peruvian Police, Vega Llona's murder was planned in Arequipa as a followup of the assasination of Lino Mendoza, commander of the Antiterrorist Directorate, 2 months ago. [as received]

Adolfo Palacios and Gaby Ipocco are studying at the University of Tacna. Palacios carried documents in the name of Aurelio Fernando Palau and a journalist's card issued by the defunct newspaper LA VOZ, under the same name.

Rosa Ramos Ocampos was also carrying false papers that gave her profession as a journalist and correspondent of the government newspaper LA CRONICA in Arequipa under the name of Juana Maria Sanchez Caceres.

The two real journalists were in La Paz and the Bolivian Police had mistakenly accused them of killing the Peruvian Naval attache in the Bolivian capital. The error has been set right by the Peruvian Police. The two journalists made a statement that was published in today's newspaper LA REPUBLICA. In their statement they explain that they had been unemployed and that they had traveled to Bolivia looking for work. They explained that they were innocent.

The journalists also explained that on the day of the murder they were in Arequipa and that they had stayed in Bolivia only from 26 September to 1 December 1988.

French Guiana

Arianne-4 'Successfully' Launched From Kourou

PA0703001389 Madrid EFE in Spanish
2343 GMT 6 Mar 89

[Text] Kourou, French Guiana, 6 Mar (EFE)—The European rocket Arianne-4 has been successfully launched from the Guianian Space Center at Kourou by the European consortium Ariannespace.

The mission of Arianne-4, which lifted off at 2029 (2329 GMT), is to place into orbit a Japanese telecommunications satellite and a satellite for the European Meteorological Organization.

Guyana

Reportage on Visit by Brazil's President Sarney

Hoyte Welcomes Counterpart

FL0403161189 Bridgetown CANA in English
1416 GMT 4 Mar 89

[Text] Georgetown, Guyana, March 4, CANA—Brazilian President Jose Sarney Accompanied by his wife and a large delegation arrived here Friday to a warm welcome at the start of a 24 hour official visit.

He was met at the Timehri International Airport by his Guyanese counterpart, President Desmond Hoyte who headed a large official welcoming delegation. At the airport and along the route to the city, hundreds of Guyanese cheered the visiting president.

He told the large gathering at the reception at the scenic Promenade Gardens hosted by the mayor and city council that his visit here is part of his firm determination to strengthen the ties between Brazil and Guyana.

We must march side by side as part of our struggle toward development, President Sarney said in response to welcome remarks by Georgetown Mayor Robert Williams who had earlier presented him with the symbolic gold key to the city and has conferred upon him honorary citizenship. The Brazilian leader said that while Guyana and Brazil have strongly individual characteristics they also share many traits.

"We are both South American countries. We share long stretches of border and we are both Amazonian countries and the multiplicity of ethnic groups in our two countries has produced entrepreneurial societies flavoured by the many cultures which make them up," he pointed out.

He also pointed out that as developing countries both Guyana and Brazil strive for a fair international economic order—and an order that is more humane as well.

He continued: "The field for cooperation between our two lands is, therefore, a fertile one indeed and I am sure that lasting results will stem from our efforts to work together."

"Together, our two nations have a (major) contribution to make to the integration of the peoples of our continent. We therefore wish to stress the spirit of cooperation which moves the countries of Latin America and the Caribbean."

And referring to the symbolic gold key presented to him, he said he wished to assure the Guyanese people that while the key was a symbol of their will to strengthen the ties between Guyana and Brazil, "The Brazilian side shares in those ideas precisely."

"I can assure you that my government and my administration will dedicate the best of their efforts to foster a warm and neighbourly friendship which governs the relations between Brazil and Guyana," President Sarney told the gathering.

"We are making great strides forward which will lead to stronger links between our two countries," he added.

Today Sarney will address a special session of the National Assembly and sign a joint communique with President Hoyte.

He will also host a 45 minute press conference and visit the Brazilian Embassy before flying out this afternoon.

Sarney Arrives, Holds Meetings

PY0403010489 Brasilia Domestic Service in Portuguese 2200 GMT 3 Mar 89

[By Lourival Macedo]

[Excerpts] After a 25-hour visit to Suriname, President Sarney has come to Georgetown, Cooperative Republic of Guyana. He was welcomed by President Hugh Desmond Hoyte at the airport.

After the speeches and the review of troops, President Sarney went to the Botanic Garden, where he received the key to the town from (Humbert William), Georgetown's mayor. [passage omitted]

At the Government Palace, the two presidents held their first working meeting. Tonight President Sarney and his entourage will attend a banquet hosted by President Hoyte.

The Guyanese papers have broadly covered President Sarney's visit to the country. The local media emphasized the similarities between Brazilian and Guyanese racial roots, and their agricultural production.

Suriname [as heard] is interested in Brazilian cooperation for soybean production, improvement of its rice crops, and construction of a hydroelectric plant. [passage omitted]

Brazilian Mines and Energy Minister Vicente Fialho has said that, depending on talks between the two presidents, Brazil may sell Guyana two generators with the capacity to generate 5,400 kw each. According to Minister Fialho, this operation will cost around $10 billion. The thermoelectric generators may be sold by Electrobras [Brazilian Electric Power Companies, Inc] or by the private sector.

Amazonian Issue Discussed

FL0603203789 Bridgetown CANA in English 1938 GMT 6 Mar 89

[Text] Georgetown, Guyana, March 6, CANA—Both Brazilian President Jose Sarney and his Guyanese counterpart, Desmond Hoyte, have come out strongly in defence of the right of Amazonian countries to exercise their sovereignty over the area. Their spirited weekend defence here came amidst objections voiced, mainly from the industrial north, about plans for the development of the Amazonian region.

Sarney spoke on the eve of the third meeting of foreign ministers of the eight countries which are signatories to the treaty for Amazonian cooperation being held in Quito, Ecuador March 6-9.

Responding to questions from journalists at a press conference here about "pressures" being exerted on Amazonian countries, Sarney said "We (Amazonian countries) have to shoulder the responsibility to defend our own nature and we will not brook any external interference in this activity."

He added: "We will not allow any organisation or anybody to even scratch at any of our sovereignty in this region with regards to the Amazon region. We should not allow and we will not allow the Amazon to become what I call a green Persian Gulf—something I have said before and I reaffirm it now."

Noting that at the Quito meeting Amazonian countries plan to set up a commission to deal with environmental issues on a joint basis, he stressed that the commission will be based on "the free and sovereign decisions" of the countries that are involved.

Signatory countries to the 1976 Amazonian Treaty, which is a formal mechanism for cooperation among the countries of the region, are Bolivia, Brazil, Colombia, Ecuador, Guyana, Peru, Suriname and Venezuela.

Dealing with fears expressed about the environmental implications for the region and the world as a whole likely to be associated with the development of the Amazonian region, Sarney said it seemed that the rich nations have a lot more to explain regarding the environment than the Amazonian countries. "They have already destroyed the vegetable cover in their country. They have polluted the atmosphere. They have endangered the existence of the human species. They are stockpiling nuclear weapons that can destroy the entire planet," the Brazilian president said.

President Hoyte, meanwhile, in a speech at a dinner he hosted Friday for President Sarney noted that "the Amazon region has become the focus of special international attention as an area which is perceived to hold the key, or at any rate, one of the keys to the future habitability of our planet, Earth."

He said this worldwide concern for the global environment is a natural by-product of interdependence and is expressed by non-governmental and inter-governmental organisations and by governments themselves.

He added: "No one today wishes to repeat the exercises of wanton pollution and environmental degradation which were the consequences of the rapid industrialisation and unthinking settlement practices in times past. These mistakes are part of the historical experience of some societies. Indeed some of them are being perpetuated even today, as the problems of acid rain and the depletion of the ozone layer, for example, evidence so clearly. It is however axiomatic that the development process, especially of the developing countries cannot be turned back. What is required is a sense of balance as a result of which the promotion of ordered development through the rational utilisation of natural resources can be facilitated."

Guyana, Hoyte said, stands ready to work with Brazil and other Amazonian countries "to help ensure that concern for the state of the global environment is matched by a respect for the right of Amazonian states to choose strategies they consider appropriate and to develop their natural resources in a rational manner."

Guyana, meanwhile, is being represented at the Quito meeting by a three-member delegation headed by Foreign Minister Rashleigh Jackson.

Sarney Ends Visit

FL0603180089 Bridgetown CANA in English 2255 GMT 3 Mar 89

[Text] Georgetown, Guyana, March 4, CANA—Brazilian President Jose Sarney left here Saturday after announcing Brazil's willingness to reschedule the U.S. 15.4 million dollar debt owed by Guyana and establish an "open agenda" for greater cooperation with its English-speaking neighbour.

He said Brazil was willing to reschedule Guyana's foreign debt "under conditions that will be possible for Guyana. We are extremely receptive to the needs of Guyana and this issue of the debt rescheduling is something we want to solve right now so that it will not prove to be an obstacle to new credit lines to be granted to Guyana," Sarney said.

Guyana is currently seeking to reschedule its total foreign debt in an effort to secure backing from the International Monetary Fund [IMF] and other financial sources to revive its economy.

On Friday night Sarney had spoken of Latin America being "in the throes of an unprecedented crisis. By an unjust illogical twist, we have become exporters of capital. Over the past 7 years, outflows of capital from the region have totalled U.S. 180 billion dollars," he remarked.

"Credit and investment in Latin America in 1988 came to no more than U.S. 4 billion dollars. Meanwhile the region transferred no less than 29 billion dollars abroad," Sarney added. "We (Brazil) are not going to be the sort of creditors with you (Guyana) as our creditors are with us," Sarney said.

He also announced that a state-owned consortium of Brazilian companies was now being set up to engage in a joint venture project with Guyana's Bauxite Industry Development Company (BIDCO) under which alumina produced in Guyana will be exported to Brazil and East Germany.

The Brazilian president also announced that his country offered to help Guyana in the areas of improving its electrical energy situation by suggesting both short-term options designed to help with the immediate energy crisis and long term options including possibly sending Brazilian experts to help undertake a full assessment of the needs of Guyana's energy sector.

In recent weeks Guyana has been experiencing massive, prolonged electricity outages becasue of the breakdown of its main generating plants.

Starting in June, Brazil will reintroduce a direct weekly air service linking BOA Vista in Brazil with Georgetown and Guyanese and Brazilian businessmen will be exploring the idea of establishing a Brazilian-Guyanese Chamber of Commerce. Sarney also told a press conference shortly before ending his 24-hour state visit here that Brazil was interested in and considered it "extremely important" to build a road linking Boa Vista with Georgetown.

Other areas for possible cooperation on the "open agenda" include assistance in drainage and irrigation, providing technological and other assistance for the modernisation of the sugar industry, for improvment in rice production, modernisation of the sugar industry, and in training experts in genetic improvement of crops such as soya bean.

"On repeated occasions, we have expressed our desire to establish very strong ties with Guyana—as such we have established an open agenda. It is the Government of Guyana that will decide what (are) the key areas in which they would like to receive help and we will do our best to help after they have established what they think is important," President Sarney told journalists.

He noted that with regards to trade throughout Latin America, Brazil was engaged in efforts designed to create mechanisms and conditions which will, among other things, open the markets in Brazil for foreign products. This, he said, will allow for countries in the region to modernise their industries because a big market will be available in Brazil for their products.

He said that in this regard Brazil was part of a common market arrangement with Argentina and Uruguay, similar measures were being developed with Bolivia, trading agreements had been entered into with Venezuela, Colombia and Suriname and attempts were being made to formalise similar instruments with Guyana.

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